

CASE

NUMBER:

99 - 434

Filed 12-17-99

The Residential MTS Volume Discount is presently in the BellSouth General Subscriber Services Tariff as follows:

A18.3.7 Volume Discounts

A. Residence

1. The following discounts are applicable to residential customer accounts only and will be applied on an account basis. These discounts are applied after the application of the rate period discounts as specified in A18.3.1.B. and apply only to intrastate, intraLATA Message Telecommunications Service.

Monthly Billing Per Account	Cumulative Discount
\$.01 - \$ 5.00	0%
\$ 5.01 - \$10.00	5%
\$10.01 - \$20.00	10%
Over \$20.00	30%

These discounts are being eliminated producing a revenue increase of \$2,380,609 per the attached priceout.

KENTUCKY TOLL REVENUE EFFECTS

09/06/00

Residence

09:13 AM

Data Month: June 2000

	Residence	Residence	Business Saver Service			Total
	ICO	Bell Only	Monthly	12-Month	24-Month	
Existing Revenues						
MTS Usage						
Saver Service Discount						
Percent Change						
MTS Usage						
Saver Service Discount						
Elasticity Factor						
MTS Usage (with stimulation)						
Saver Service Discount (with stimulation)						
Proposed Revenues						
MTS Usage						
Saver Service Discount						
Revenue Impacts						
MTS Usage						
Saver Service Discount						
Settlements Change						
Change in Expenses						
TOTAL REVENUE EFFECT						\$2,380,609

TOLL RATE SCHEDULE	EXISTING		PROPOSED	
	Initial	Additional	Initial	Additional
1 - 10 Miles	\$0.100	\$0.200	\$0.100	\$0.200
11 - 16 Miles	\$0.100	\$0.200	\$0.100	\$0.200
17 - 22 Miles	\$0.100	\$0.200	\$0.100	\$0.200
23 - 30 Miles	\$0.100	\$0.200	\$0.100	\$0.200
31 - 40 Miles	\$0.100	\$0.200	\$0.100	\$0.200
41 - 55 Miles	\$0.100	\$0.200	\$0.100	\$0.200
56 - 70 Miles	\$0.100	\$0.200	\$0.100	\$0.200
71 - 85 Miles	\$0.100	\$0.200	\$0.100	\$0.200
86 - 100 Miles	\$0.100	\$0.200	\$0.100	\$0.200
101 - 124 Miles	\$0.100	\$0.200	\$0.100	\$0.200
125 - 148 Miles	\$0.100	\$0.200	\$0.100	\$0.200
149 - 196 Miles	\$0.100	\$0.200	\$0.100	\$0.200
197+ Miles	\$0.100	\$0.200	\$0.100	\$0.200

OPERATOR SURCHARGE RATES	Charge Per Call	Charge Per Call
Automated Calling Card	\$0.00	\$0.00
Operator Assist Calling Card	\$0.00	\$0.00
Person-to-Person	\$0.00	\$0.00
Operator Handled	\$0.00	\$0.00

TIME-OF-DAY DISCOUNT PERIODS	Existing Periods	Discounts	Proposed Periods	Discounts
Day / Peak	7am-7pm	0%	7am-7pm	0%
Evening / Off-Peak	7pm-7am	40%	7pm-7am	40%
Night	NA	0%	NA	0%

AUTOMATIC VOLUME DISCOUNTS	Existing Break Points	Discounts	Proposed Break Points	Discounts
	\$0	0%	\$0	0%
	\$5.01	5%	\$5.01	0%
	\$10.01	10%	\$10.01	0%
	\$20.01	30%	\$20.01	0%

TDFMM	\$50.01	\$51
TDFMM	\$51.01	\$52
TDFMM	\$52.01	\$53
TDFMM	\$53.01	\$54
TDFMM	\$54.01	\$55
TDFMM	\$55.01	\$56
TDFMM	\$56.01	\$57
TDFMM	\$57.01	\$58
TDFMM	\$58.01	\$59
TDFMM	\$59.01	\$60
TDFMM	\$60.01	\$61
TDFMM	\$61.01	\$62
TDFMM	\$62.01	\$63
TDFMM	\$63.01	\$64
TDFMM	\$64.01	\$65
TDFMM	\$65.01	\$66
TDFMM	\$66.01	\$67
TDFMM	\$67.01	\$68
TDFMM	\$68.01	\$69
TDFMM	\$69.01	\$70
TDFMM	\$70.01	\$71
TDFMM	\$71.01	\$72
TDFMM	\$72.01	\$73
TDFMM	\$73.01	\$74
TDFMM	\$74.01	\$75
TDFMM	\$75.01	\$76
TDFMM	\$76.01	\$77
TDFMM	\$77.01	\$78
TDFMM	\$78.01	\$79
TDFMM	\$79.01	\$80
TDFMM	\$80.01	\$81
TDFMM	\$81.01	\$82
TDFMM	\$82.01	\$83
TDFMM	\$83.01	\$84
TDFMM	\$84.01	\$85
TDFMM	\$85.01	\$86
TDFMM	\$86.01	\$87
TDFMM	\$87.01	\$88
TDFMM	\$88.01	\$89
TDFMM	\$89.01	\$90
TDFMM	\$90.01	\$91
TDFMM	\$91.01	\$92
TDFMM	\$92.01	\$93
TDFMM	\$93.01	\$94
TDFMM	\$94.01	\$95
TDFMM	\$95.01	\$96
TDFMM	\$96.01	\$97
TDFMM	\$97.01	\$98
TDFMM	\$98.01	\$99
TDFMM	\$99.01	\$100
TDFMM	\$100.01	\$101
TDFMM	\$101.01	\$102
TDFMM	\$102.01	\$103
TDFMM	\$103.01	\$104
TDFMM	\$104.01	\$105
TDFMM	\$105.01	\$106
TDFMM	\$106.01	\$107
TDFMM	\$107.01	\$108
TDFMM	\$108.01	\$109
TDFMM	\$109.01	\$110
TDFMM	\$110.01	\$111
TDFMM	\$111.01	\$112
TDFMM	\$112.01	\$113
TDFMM	\$113.01	\$114
TDFMM	\$114.01	\$115
TDFMM	\$115.01	\$116
TDFMM	\$116.01	\$117
TDFMM	\$117.01	\$118
TDFMM	\$118.01	\$119
TDFMM	\$119.01	\$120
TDFMM	\$120.01	\$121
TDFMM	\$121.01	\$122
TDFMM	\$122.01	\$123
TDFMM	\$123.01	\$124
TDFMM	\$124.01	\$125
TDFMM	\$125.01	\$126
TDFMM	\$126.01	\$127
TDFMM	\$127.01	\$128
TDF12	\$0	\$0
TDF12	\$0.01	\$1
TDF12	\$1.01	\$2
TDF12	\$2.01	\$3
TDF12	\$3.01	\$4
TDF12	\$4.01	\$5
TDF12	\$5.01	\$6
TDF12	\$6.01	\$7
TDF12	\$7.01	\$8
TDF12	\$8.01	\$9
TDF12	\$9.01	\$10
TDF12	\$10.01	\$11
TDF12	\$11.01	\$12
TDF12	\$12.01	\$13
TDF12	\$13.01	\$14
TDF12	\$14.01	\$15
TDF12	\$15.01	\$16
TDF12	\$16.01	\$17
TDF12	\$17.01	\$18
TDF12	\$18.01	\$19
TDF12	\$19.01	\$20
TDF12	\$20.01	\$21
TDF12	\$21.01	\$22
TDF12	\$22.01	\$23
TDF12	\$23.01	\$24
TDF12	\$24.01	\$25
TDF12	\$25.01	\$26
TDF12	\$26.01	\$27
TDF12	\$27.01	\$28

TDFMM #####

TDF-12	\$28.01	\$29
TDF-12	\$29.01	\$30
TDF-12	\$30.01	\$31
TDF-12	\$31.01	\$32
TDF-12	\$32.01	\$33
TDF-12	\$33.01	\$34
TDF-12	\$34.01	\$35
TDF-12	\$35.01	\$36
TDF-12	\$36.01	\$37
TDF-12	\$37.01	\$38
TDF-12	\$38.01	\$39
TDF-12	\$39.01	\$40
TDF-12	\$40.01	\$41
TDF-12	\$41.01	\$42
TDF-12	\$42.01	\$43
TDF-12	\$43.01	\$44
TDF-12	\$44.01	\$45
TDF-12	\$45.01	\$46
TDF-12	\$46.01	\$47
TDF-12	\$47.01	\$48
TDF-12	\$48.01	\$49
TDF-12	\$49.01	\$50
TDF-12	\$50.01	\$51
TDF-12	\$51.01	\$52
TDF-12	\$52.01	\$53
TDF-12	\$53.01	\$54
TDF-12	\$54.01	\$55
TDF-12	\$55.01	\$56
TDF-12	\$56.01	\$57
TDF-12	\$57.01	\$58
TDF-12	\$58.01	\$59
TDF-12	\$59.01	\$60
TDF-12	\$60.01	\$61
TDF-12	\$61.01	\$62
TDF-12	\$62.01	\$63
TDF-12	\$63.01	\$64
TDF-12	\$64.01	\$65
TDF-12	\$65.01	\$66
TDF-12	\$66.01	\$67
TDF-12	\$67.01	\$68
TDF-12	\$68.01	\$69
TDF-12	\$69.01	\$70
TDF-12	\$70.01	\$71
TDF-12	\$71.01	\$72
TDF-12	\$72.01	\$73
TDF-12	\$73.01	\$74
TDF-12	\$74.01	\$75
TDF-12	\$75.01	\$76
TDF-12	\$76.01	\$77
TDF-12	\$77.01	\$78
TDF-12	\$78.01	\$79
TDF-12	\$79.01	\$80
TDF-12	\$80.01	\$81
TDF-12	\$81.01	\$82
TDF-12	\$82.01	\$83
TDF-12	\$83.01	\$84
TDF-12	\$84.01	\$85
TDF-12	\$85.01	\$86
TDF-12	\$86.01	\$87
TDF-12	\$87.01	\$88
TDF-12	\$88.01	\$89
TDF-12	\$89.01	\$90
TDF-12	\$90.01	\$91
TDF-12	\$91.01	\$92
TDF-12	\$92.01	\$93
TDF-12	\$93.01	\$94
TDF-12	\$94.01	\$95
TDF-12	\$95.01	\$96
TDF-12	\$96.01	\$97
TDF-12	\$97.01	\$98
TDF-12	\$98.01	\$99
TDF-12	\$99.01	\$100
TDF-12	\$100.01	\$1000
TDF-12	\$100.01	\$3000
TDF-12	\$100.01	\$4000
TDF-12	\$100.01	\$5000
TDF-12	\$100.01	\$6000
TDF-12	\$100.01	\$7000
TDF-12	\$100.01	\$8000
TDF-12	\$100.01	\$9000
TDF-12	\$100.01	\$1,000
TDF-12	#####	*
TDF-24	\$0.00	\$0
TDF-24	\$0.01	\$1
TDF-24	\$1.01	\$2
TDF-24	\$2.01	\$3
TDF-24	\$3.01	\$4
TDF-24	\$4.01	\$5
TDF-24	\$5.01	\$6

TDF24	\$8.01	\$7
TDF24	\$7.01	\$8
TDF24	\$6.01	\$9
TDF24	\$5.01	\$10
TDF24	\$4.01	\$11
TDF24	\$3.01	\$12
TDF24	\$2.01	\$13
TDF24	\$1.01	\$14
TDF24	\$14.01	\$15
TDF24	\$15.01	\$16
TDF24	\$16.01	\$17
TDF24	\$17.01	\$18
TDF24	\$18.01	\$19
TDF24	\$19.01	\$20
TDF24	\$20.01	\$21
TDF24	\$21.01	\$22
TDF24	\$22.01	\$23
TDF24	\$23.01	\$24
TDF24	\$24.01	\$25
TDF24	\$25.01	\$26
TDF24	\$26.01	\$27
TDF24	\$27.01	\$28
TDF24	\$28.01	\$29
TDF24	\$29.01	\$30
TDF24	\$30.01	\$31
TDF24	\$31.01	\$32
TDF24	\$32.01	\$33
TDF24	\$33.01	\$34
TDF24	\$34.01	\$35
TDF24	\$35.01	\$36
TDF24	\$36.01	\$37
TDF24	\$37.01	\$38
TDF24	\$38.01	\$39
TDF24	\$39.01	\$40
TDF24	\$40.01	\$41
TDF24	\$41.01	\$42
TDF24	\$42.01	\$43
TDF24	\$43.01	\$44
TDF24	\$44.01	\$45
TDF24	\$45.01	\$46
TDF24	\$46.01	\$47
TDF24	\$47.01	\$48
TDF24	\$48.01	\$49
TDF24	\$49.01	\$50
TDF24	\$50.01	\$51
TDF24	\$51.01	\$52
TDF24	\$52.01	\$53
TDF24	\$53.01	\$54
TDF24	\$54.01	\$55
TDF24	\$55.01	\$56
TDF24	\$56.01	\$57
TDF24	\$57.01	\$58
TDF24	\$58.01	\$59
TDF24	\$59.01	\$60
TDF24	\$60.01	\$61
TDF24	\$61.01	\$62
TDF24	\$62.01	\$63
TDF24	\$63.01	\$64
TDF24	\$64.01	\$65
TDF24	\$65.01	\$66
TDF24	\$66.01	\$67
TDF24	\$67.01	\$68
TDF24	\$68.01	\$69
TDF24	\$69.01	\$70
TDF24	\$70.01	\$71
TDF24	\$71.01	\$72
TDF24	\$72.01	\$73
TDF24	\$73.01	\$74
TDF24	\$74.01	\$75
TDF24	\$75.01	\$76
TDF24	\$76.01	\$77
TDF24	\$77.01	\$78
TDF24	\$78.01	\$79
TDF24	\$79.01	\$80
TDF24	\$80.01	\$81
TDF24	\$81.01	\$82
TDF24	\$82.01	\$83
TDF24	\$83.01	\$84
TDF24	\$84.01	\$85
TDF24	\$85.01	\$86
TDF24	\$86.01	\$87
TDF24	\$87.01	\$88
TDF24	\$88.01	\$89
TDF24	\$89.01	\$90
TDF24	\$90.01	\$91
TDF24	\$91.01	\$92
TDF24	\$92.01	\$93
TDF24	\$93.01	\$94
TDF24	\$94.01	\$95
TDF24	\$95.01	\$96

TDF24 \$98.01 - \$97
 TDF24 \$97.01 - \$98
 TDF24 \$98.01 - \$99
 TDF24 \$99.01 - \$100
 TDF24 \$100.01 - \$200
 TDF24 \$200.01 - \$300
 TDF24 \$300.01 - \$400
 TDF24 \$400.01 - \$500
 TDF24 \$500.01 - \$600
 TDF24 \$600.01 - \$700
 TDF24 \$700.01 - \$800
 TDF24 \$800.01 - \$900
 TDF24 \$900.01 - \$1,000
 TDF24 #####*

RATES		Existing	Existing	Proposed	Proposed
		Initial	Additional	Initial	Additional
1 - 10 Miles	10	\$0.1000	\$0.200	\$0.1000	\$0.200
11 - 16 Miles	16	\$0.1000	\$0.200	\$0.1000	\$0.200
17 - 22 Miles	22	\$0.1000	\$0.200	\$0.1000	\$0.200
23 - 30 Miles	30	\$0.1000	\$0.200	\$0.1000	\$0.200
31 - 40 Miles	40	\$0.1000	\$0.200	\$0.1000	\$0.200
41 - 55 Miles	55	\$0.1000	\$0.200	\$0.1000	\$0.200
56 - 70 Miles	70	\$0.1000	\$0.200	\$0.1000	\$0.200
71 - 85 Miles	85	\$0.1000	\$0.200	\$0.1000	\$0.200
86 - 100 Miles	100	\$0.1000	\$0.200	\$0.1000	\$0.200
101 - 124 Mile	124	\$0.1000	\$0.200	\$0.1000	\$0.200
125 - 148 Mile	148	\$0.1000	\$0.200	\$0.1000	\$0.200
149 - 196 Mile	196	\$0.1000	\$0.200	\$0.1000	\$0.200
197 - 244 Mile	244	\$0.1000	\$0.200	\$0.1000	\$0.200
245 - 292 Mile	292	\$0.1000	\$0.200	\$0.1000	\$0.200
293 - 354 Mile	354	\$0.1000	\$0.200	\$0.1000	\$0.200
355 - 392 Mile	392	\$0.1000	\$0.200	\$0.1000	\$0.200
393+ Miles	999	\$0.1000	\$0.200	\$0.1000	\$0.200

TIME-OF-DAY DISCOUNTS

	Existing	Proposed
Day	0.00%	0.00%
Evening	40.00%	40.00%
Nights	0.00%	0.00%

OPERATOR SURCHARGES

	Existing	Proposed	OPERATOR EXPENSES PER MESSAGE		
			OPH RATES	Monthly	Annual
DDD	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
OPH	\$0.00	\$0.00	\$2.25	\$0.41	\$0.00
ACC	\$0.00	\$0.00	\$0.80	\$0.15	\$0.00
PER	\$0.00	\$0.00	\$4.90	\$1.45	\$0.00
OCC	\$0.00	\$0.00	\$2.25	\$0.39	\$0.00

**Blown-up
To Forecast**

\$0

VOLUME DISCOUNT PERCENTAGES

Automatic Discounts		need % takes
MTS		
Existing		<- column offsets
(\$1.00)	0.00%	
\$5.01	5.00%	
\$10.01	10.00%	
\$20.01	30.00%	
Proposed		
(\$1.00)	0.00%	
\$5.01	0.00%	
\$10.01	0.00%	
\$20.01	0.00%	

	Month-Month	2-MONTH	4-MONTH
	Discounts	Discounts	Discounts
	TDFMM	TDF12	TDF24
Existing			
(\$1.00)	0.00%	5.00%	15.00%
\$10.01	5.00%	10.00%	20.00%
\$50.01	10.00%	15.00%	25.00%
\$75.01	15.00%	20.00%	30.00%
Proposed			
(\$1.00)	0.00%	5.00%	15.00%
\$10.01	5.00%	10.00%	20.00%
\$50.01	10.00%	15.00%	25.00%
\$75.01	15.00%	20.00%	30.00%

SETTLEMENTS

Revenue Adjustment for a 1% change in messages	
Res	\$0
Bus	\$0

CHANGE IN OPERATOR EXPENSES

DDD	\$0
OPERATOR	\$0
DIALED CALLING CARD	\$0
PERSON	\$0
OPERATOR CALLING CARD	\$0
TOTAL	\$0

TOD-Existing	EL	GA	KY	LA	MS	NC	SC	TN
Peak / Day	7am-6pm	7am-6pm	7am-7pm	8am-5pm	8am-5pm	8am-12noon/1	7am-6pm	8am-5pm
Off-Peak / Evening	6pm-7am	6pm-7am	7pm-7am	5pm-11pm	5pm-11pm	12noon-1pm/5	6pm-7am	5pm-11pm
Night	NA	NA	NA	11pm-8am	11pm-8am	NA	NA	11pm-8am
TOD-Proposed								
Peak / Day	7am-6pm	7am-6pm	7am-7pm	8am-5pm	8am-5pm	8am-12noon/1	7am-6pm	8am-5pm
Off-Peak / Evening	5pm-11pm	6pm-7am	7pm-7am	5pm-11pm	5pm-11pm	12noon-1pm/5	6pm-7am	5pm-11pm
Night	11pm-8am	NA	NA	11pm-8am	11pm-8am	NA	NA	11pm-8am

- 1 January
- 2 February
- 3 March
- 4 April
- 5 May
- 6 June
- 7 July
- 8 August
- 9 September
- 10 October
- 11 November
- 12 December

STATES

- AL ALABAMA
- FL FLORIDA
- GA GEORGIA
- KY KENTUCKY
- LA LOUISIANA
- MS MISSISSIPPI
- NC NORTH CAROLINA
- SC SOUTH CAROLINA
- TN TENNESSEE

ELASTICITY FACTORS

- ELAS Residence Business
- AL
- FL
- GA
- KY
- LA
- MS
- NC
- SC
- TN

Existing Usage	June 2000 Data	Proposed Usage	Annual Priceout Rev->		Annual Distrib Rev	
			Conv	Tenth	Full	Usage
Tenth Minute - Peak / Off-peak	Import at A4	Import at F4	MTS	MTS	MTS	MTS
Import at A4	Total MOU	BELL	Accounts	MTS	MTS	MTS
BELL	DDD	BELL	MTS	MTS	MTS	MTS

DISTRIBUTION DATA

Import at NG
June 2000 Data
MTS

TOD-Existing	EL	GA	KY	LA	MS	NC	SC
Peak / Day	8am-5pm	7am-6pm	7am-7pm	8am-5pm	8am-5pm	8am-12noon/12noon-1pm/5	8am-5pm
Off-Peak / Evening	5pm-11pm	6pm-7am	7pm-7am	5pm-11pm	5pm-11pm	11pm-8am	5pm-11pm
Night	11pm-8am	NA	NA	11pm-8am	11pm-8am	NA	11pm-8am
TOD-Proposed	EL	GA	KY	LA	MS	NC	SC
Peak / Day	8am-5pm	7am-6pm	7am-7pm	8am-5pm	8am-5pm	8am-12noon/12noon-1pm/5	8am-5pm
Off-Peak / Evening	5pm-11pm	6pm-7am	7pm-7am	5pm-11pm	5pm-11pm	11pm-8am	5pm-11pm
Night	11pm-8am	NA	NA	11pm-8am	11pm-8am	NA	11pm-8am

- MONTH
- 1 January
 - 2 February
 - 3 March
 - 4 April
 - 5 May
 - 6 June
 - 7 July
 - 8 August
 - 9 September
 - 10 October
 - 11 November
 - 12 December

STATES

- AL ALABAMA
- FL FLORIDA
- GA GEORGIA
- KY KENTUCKY
- LA LOUISIANA
- MS MISSISSIPPI
- NC NORTH CAROLINA
- SC SOUTH CAROLINA
- TN TENNESSEE

ELASTICITY FACTORS

- ELAS Residence Business
- AL
- FL
- GA
- KY
- LA
- MS
- NC
- SC
- TN

Existing Usage	June 2000 Data	Proposed Usage	Annual Priceout Rev->	Annual Distrib Rev
Tenth Minute - Peak / Off-peak	Tenth Minute - Peak / Off-peak	Tenth Minute - Peak / Off-peak	Conv	Usage
Import at A4	Import at A4	Import at F4	Min	Rev
BELL	BELL	BELL	Min	Rev
DDD	DDD	DDD	Min	Rev
Total MOU	Total MOU	Total MOU	Min	Rev

DISTRIBUTION DATA

Import at N6
June 2000 Data
MTS

Remone Business TouchTone and Reduce RG5 on PSP lines to \$1.70 and Roll the TouchTone rate into 2-Way and Outgoing Business Access Lines and Trunks.

The touchtone rate for 2-way and outgoing business access lines and trunks and Payphone Service Provider access lines is \$3.00 for all rate groups. We will reduce the rate for TouchTone in rate group 5 by \$1.30. Then we will eliminate the separate charge for business touchtone for all but Payphone access lines. The rate for 2-Way and Outgoing Business Access lines and trunks will increase by \$3.00 for all rate groups except rate group 5. For rate group 5 the increase will be \$1.70. Payphone Service Providers will continue to pay a separate touchtone charge of \$1.70 in rate group 5 and \$3.00 in all other rate groups.

The net revenue effects of these rate changes is a reduction of (\$1,144,053) per the attached priceouts.

State: Kentucky
Docket 99-434

Present and Proposed Rates and Revenues
LOCAL EXCHANGE

Develop Date : 06/00
Page : 1 of 29
Run Date : 08/31/00

RECURRING RATES

Tariff Section/ Page # (1)	Service Description (2)	USOC (3)	Present Demand (4)	Proposed Demand (5)	Present Rate (6)	Proposed Rate (7)	\$ Change (8)	% Change (9)	Present Annual Revenue (10)	Proposed Annual Revenue (11)	Annual Revenue Change (12)	MB Seg. (13)
	RATE GROUP 1											
A3/2	BUS 1-PARTY FLAT				\$32.00	\$35.00	\$3.00	9.38%				1003
A103/1	BUS 2-PARTY FLAT				\$21.07	\$24.07	\$3.00	14.24%				1003
A3/40	BUS FLAT HTG				\$12.00	\$12.00	\$0.00	0.00%				1004
A3/40	BUS MESS HTG				\$23.17	\$26.17	\$3.00	12.95%				1003
A3/2	BUS STD MEAS				\$12.00	\$12.00	\$0.00	0.00%				1004
A3/40	BUS MEAS HTG				\$29.70	\$32.70	\$3.00	10.10%				1003
A3/3.1	BUS PLAN LINE				\$32.70	\$35.70	\$3.00	9.17%				1003
A3/3.1	BUS PLAN LINE W/LUD				\$12.00	\$12.00	\$0.00	0.00%				1004
A3/40	BUS PLAN HTG				\$16.00	\$17.50	\$1.50	9.38%				1104
A3/60	BUS BACK-UP LINE				\$32.00	\$32.00	\$0.00	0.00%				1006
A3/43	TRK FLAT-IN				\$32.00	\$35.00	\$3.00	9.38%				1006
A3/43	TRK FLAT-OUT				\$32.00	\$35.00	\$3.00	9.38%				1006
A3/43	TRK FLAT-2W				\$64.00	\$67.00	\$3.00	4.69%				1006
A3/43	TRK DID COMBO				\$20.77	\$23.77	\$3.00	14.44%				1006
A3/43.1	TRK MESS-OUT 1ST				\$15.77	\$18.77	\$3.00	19.02%				1006
A3/43.1	TRK MESS-OUT ADDL				\$20.77	\$23.77	\$3.00	14.44%				1006
A3/43.1	TRK MESS-2W 1ST				\$20.77	\$23.77	\$3.00	14.44%				1006
A3/43.1	TRK MESS-2W ADDL				\$20.77	\$23.77	\$3.00	14.44%				1006
A3/43	TRK MEAS-IN				\$23.17	\$26.17	\$3.00	12.95%				1006
A3/43	TRK MEAS-OUT				\$23.17	\$26.17	\$3.00	12.95%				1006
A3/43	TRK MEAS-2W				\$23.17	\$26.17	\$3.00	12.95%				1006
A3/43.1	TRK PLAN IN				\$29.70	\$32.70	\$3.00	10.10%				1006
A3/43.1	TRK PLAN OUT				\$29.70	\$32.70	\$3.00	10.10%				1006
A3/43.1	TRK PLAN OUT W/LUD				\$32.70	\$35.70	\$3.00	9.17%				1006
A3/43.1	TRK PLAN 2W				\$32.70	\$35.70	\$3.00	9.17%				1006
A3/43.1	TRK PLAN 2W W/LUD				\$21.50	\$21.50	\$0.00	0.00%				1005
A3/36	NAR ESSK FLAT-IN				\$21.50	\$21.50	\$0.00	0.00%				1005
A3/36	NAR ESSK FLAT-OUT				\$21.50	\$21.50	\$0.00	0.00%				1005
A3/36.0.1	NAR ESSK PLAN IN				\$10.00	\$10.00	\$0.00	0.00%				1005
A3/36.0.1	NAR ESSK PLAN IN W/LUD				\$10.00	\$10.00	\$0.00	0.00%				1005
A3/36.0.1	NAR ESSK PLAN OUT				\$13.00	\$13.00	\$0.00	0.00%				1005
A3/36.0.1	NAR ESSK PLAN OUT W/LUD				\$13.00	\$13.00	\$0.00	0.00%				1005
A3/36.0.1	NAR ESSK PLAN 2W W/LUD				\$32.00	\$32.00	\$0.00	0.00%				1005
A111/5	NAR ESSK-1/SPL FLAT-IN				\$32.00	\$35.00	\$3.00	9.38%				1005
A111/5	NAR ESSK-1/SPL FLAT-OUT				\$32.00	\$35.00	\$3.00	9.38%				1005
A3/36	NAR ML/IG FLAT-IN				\$21.50	\$21.50	\$0.00	0.00%				1005
A3/36	NAR ML/IG FLAT-OUT				\$21.50	\$21.50	\$0.00	0.00%				1005
A3/36	NAR DID COMBO				\$43.00	\$46.00	\$3.00	6.98%				1005
A3/36	NAR ML/IG FLAT-2W				\$21.50	\$24.50	\$3.00	13.95%				1005

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	RATE GROUP 2											
A3/2	BUS 1-PARTY FLAT		\$32.90		\$35.90	\$3.00	9.12%	\$3.00	\$3.00	\$3.00	\$0.00	1003
A103/1	BUS 2-PARTY FLAT		\$23.22		\$26.22	\$3.00	12.92%	\$3.00	\$3.00	\$3.00	\$0.00	1003
A3/40	BUS FLAT HTG		\$11.25		\$11.25	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1004
A3/40	BUS MESS HTG		\$25.52		\$28.52	\$3.00	11.76%	\$3.00	\$3.00	\$3.00	\$0.00	1003
A3/2	BUS STD MEAS		\$11.25		\$11.25	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1004
A3/40	BUS MEAS HTG		\$29.70		\$32.70	\$3.00	10.10%	\$3.00	\$3.00	\$3.00	\$0.00	1003
A3/3.1	BUS PLAN LINE		\$32.70		\$35.70	\$3.00	9.17%	\$3.00	\$3.00	\$3.00	\$0.00	1003
A3/3.1	BUS PLAN LINE W/LUD		\$11.25		\$11.25	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1004
A3/40	BUS PLAN HTG		\$16.45		\$17.95	\$1.50	9.12%	\$1.50	\$1.50	\$1.50	\$0.00	1006
A3/60	BUS BACK-UP LINE		\$32.90		\$32.90	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1006
A3/43	TRK FLAT-IN		\$32.90		\$35.90	\$3.00	9.12%	\$3.00	\$3.00	\$3.00	\$0.00	1006
A3/43	TRK FLAT-OUT		\$32.90		\$35.90	\$3.00	9.12%	\$3.00	\$3.00	\$3.00	\$0.00	1006
A3/43	TRK FLAT-2W		\$65.80		\$68.80	\$3.00	4.56%	\$3.00	\$3.00	\$3.00	\$0.00	1006
A3/43	TRK DID COMBO		\$20.77		\$23.77	\$3.00	14.44%	\$3.00	\$3.00	\$3.00	\$0.00	1006
A3/43.1	TRK MESS-OUT 1ST		\$15.77		\$18.77	\$3.00	19.02%	\$3.00	\$3.00	\$3.00	\$0.00	1006
A3/43.1	TRK MESS-OUT ADDL		\$20.77		\$23.77	\$3.00	14.44%	\$3.00	\$3.00	\$3.00	\$0.00	1006
A3/43.1	TRK MESS-2W 1ST		\$15.77		\$18.77	\$3.00	19.02%	\$3.00	\$3.00	\$3.00	\$0.00	1006
A3/43.1	TRK MESS-2W ADDL		\$25.52		\$28.52	\$3.00	11.76%	\$3.00	\$3.00	\$3.00	\$0.00	1006
A3/43	TRK MEAS-IN		\$25.52		\$28.52	\$3.00	11.76%	\$3.00	\$3.00	\$3.00	\$0.00	1006
A3/43	TRK MEAS-OUT		\$25.52		\$28.52	\$3.00	11.76%	\$3.00	\$3.00	\$3.00	\$0.00	1006
A3/43	TRK MEAS-2W		\$29.70		\$32.70	\$3.00	10.10%	\$3.00	\$3.00	\$3.00	\$0.00	1006
A3/43.1	TRK PLAN IN		\$32.70		\$35.70	\$3.00	9.17%	\$3.00	\$3.00	\$3.00	\$0.00	1006
A3/43.1	TRK PLAN OUT		\$32.70		\$35.70	\$3.00	9.17%	\$3.00	\$3.00	\$3.00	\$0.00	1006
A3/43.1	TRK PLAN OUT W/LUD		\$29.70		\$32.70	\$3.00	10.10%	\$3.00	\$3.00	\$3.00	\$0.00	1006
A3/43.1	TRK PLAN 2W		\$32.70		\$35.70	\$3.00	9.17%	\$3.00	\$3.00	\$3.00	\$0.00	1006
A3/43.1	TRK PLAN 2W W/LUD		\$32.70		\$35.70	\$3.00	9.17%	\$3.00	\$3.00	\$3.00	\$0.00	1005
A3/36	NAR ESSX FLAT-IN		\$21.50		\$21.50	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1005
A3/36	NAR ESSX FLAT-OUT		\$21.50		\$21.50	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1005
A3/36	NAR ESSX FLAT-2W		\$10.00		\$10.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1005
A3/36	NAR ESSX PLAN IN		\$10.00		\$10.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1005
A3/36.0.1	NAR ESSX PLAN IN W/LUD		\$10.00		\$10.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1005
A3/36.0.1	NAR ESSX PLAN OUT		\$13.00		\$13.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1005
A3/36.0.1	NAR ESSX PLAN OUT W/LUD		\$13.00		\$13.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1005
A3/36.0.1	NAR ESSX PLAN 2W		\$13.00		\$13.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1005
A3/36.0.1	NAR ESSX PLAN 2W W/LUD		\$32.90		\$32.90	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1005
A111/5	NAR ESSX-1/SPL FLAT-IN		\$35.90		\$35.90	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1005
A111/5	NAR ESSX-1/SPL FLAT-OUT		\$32.90		\$32.90	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1005
A111/5	NAR ESSX-1/SPL FLAT-2W		\$21.50		\$21.50	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1005
A3/36	NAR ML/LG FLAT-IN		\$21.50		\$24.50	\$3.00	13.95%	\$3.00	\$3.00	\$3.00	\$0.00	1005
A3/36	NAR ML/LG FLAT-OUT		\$43.00		\$46.00	\$3.00	6.98%	\$3.00	\$3.00	\$3.00	\$0.00	1005
A3/36	NAR DID COMBO		\$21.50		\$24.50	\$3.00	13.95%	\$3.00	\$3.00	\$3.00	\$0.00	1005
A3/36	NAR ML/LG FLAT-2W		\$21.50		\$24.50	\$3.00	13.95%	\$3.00	\$3.00	\$3.00	\$0.00	1005

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A3/2	RATE GROUP 3				\$32.90	\$35.90	\$3.00	9.12%	\$3.00	\$3.00	\$0.00	1003
A103/1	BUS 1-PARTY FLAT				\$25.02	\$28.02	\$3.00	11.99%	\$3.00	\$3.00	\$0.00	1003
A3/40	BUS 2-PARTY FLAT				\$10.50	\$10.50	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1004
A3/40	BUS FLAT HTG				\$10.50	\$10.50	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1004
A3/2	BUS MESS HTG				\$27.52	\$30.52	\$3.00	10.90%	\$3.00	\$3.00	\$0.00	1003
A3/40	BUS STD MEAS				\$10.50	\$10.50	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1004
A3/3.1	BUS MEAS HTG				\$29.70	\$32.70	\$3.00	10.10%	\$3.00	\$3.00	\$0.00	1003
A3/3.1	BUS PLAN LINE				\$32.70	\$35.70	\$3.00	9.17%	\$3.00	\$3.00	\$0.00	1003
A3/40	BUS PLAN LINE W/LUD				\$10.50	\$10.50	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1004
A3/40	BUS PLAN HTG				\$16.45	\$17.95	\$1.50	9.12%	\$1.50	\$1.50	\$0.00	1104
A3/60	BUS BACK-UP LINE				\$32.90	\$32.90	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1006
A3/43	TRK FLAT-IN				\$32.90	\$35.90	\$3.00	9.12%	\$3.00	\$3.00	\$0.00	1006
A3/43	TRK FLAT-OUT				\$32.90	\$35.90	\$3.00	9.12%	\$3.00	\$3.00	\$0.00	1006
A3/43	TRK FLAT-2W				\$65.80	\$68.80	\$3.00	4.56%	\$3.00	\$3.00	\$0.00	1006
A3/43	TRK DID COMBO				\$20.77	\$23.77	\$3.00	14.44%	\$3.00	\$3.00	\$0.00	1006
A3/43.1	TRK MESS-OUT 1ST				\$15.77	\$18.77	\$3.00	19.02%	\$3.00	\$3.00	\$0.00	1006
A3/43.1	TRK MESS-OUT ADDL				\$20.77	\$23.77	\$3.00	14.44%	\$3.00	\$3.00	\$0.00	1006
A3/43.1	TRK MESS-2W 1ST				\$15.77	\$18.77	\$3.00	19.02%	\$3.00	\$3.00	\$0.00	1006
A3/43.1	TRK MESS-2W ADDL				\$27.52	\$29.70	\$2.18	7.92%	\$2.18	\$2.18	\$0.00	1006
A3/43	TRK MEAS-IN				\$27.52	\$29.70	\$2.18	7.92%	\$2.18	\$2.18	\$0.00	1006
A3/43	TRK MEAS-OUT				\$27.52	\$29.70	\$2.18	7.92%	\$2.18	\$2.18	\$0.00	1006
A3/43	TRK MEAS-2W				\$29.70	\$32.70	\$3.00	10.10%	\$3.00	\$3.00	\$0.00	1006
A3/43.1	TRK PLAN IN				\$29.70	\$32.70	\$3.00	10.10%	\$3.00	\$3.00	\$0.00	1006
A3/43.1	TRK PLAN OUT				\$32.70	\$35.70	\$3.00	9.17%	\$3.00	\$3.00	\$0.00	1006
A3/43.1	TRK PLAN OUT W/LUD				\$29.70	\$32.70	\$3.00	10.10%	\$3.00	\$3.00	\$0.00	1006
A3/43.1	TRK PLAN 2W				\$32.70	\$35.70	\$3.00	9.17%	\$3.00	\$3.00	\$0.00	1006
A3/43.1	TRK PLAN 2W W/LUD				\$21.50	\$21.50	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1005
A3/36	NAR ESSX FLAT-IN				\$21.50	\$21.50	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1005
A3/36	NAR ESSX FLAT-2W				\$10.00	\$10.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1005
A3/36	NAR ESSX PLAN IN				\$10.00	\$10.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1005
A3/36.0.1	NAR ESSX PLAN IN W/LUD				\$10.00	\$10.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1005
A3/36.0.1	NAR ESSX PLAN OUT				\$13.00	\$13.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1005
A3/36.0.1	NAR ESSX PLAN OUT W/LUD				\$13.00	\$13.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1005
A3/36.0.1	NAR ESSX PLAN 2W				\$13.00	\$13.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1005
A3/36.0.1	NAR ESSX PLAN 2W W/LUD				\$32.90	\$32.90	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1005
A111/5	NAR ESSX-1/SPL FLAT-IN				\$32.90	\$35.90	\$3.00	9.12%	\$3.00	\$3.00	\$0.00	1005
A111/5	NAR ESSX-1/SPL FLAT-OUT				\$32.90	\$35.90	\$3.00	9.12%	\$3.00	\$3.00	\$0.00	1005
A3/36	NAR ML/LG FLAT-IN				\$21.50	\$21.50	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1005
A3/36	NAR ML/LG FLAT-OUT				\$43.00	\$46.00	\$3.00	6.98%	\$3.00	\$3.00	\$0.00	1005
A3/36	NAR DID COMBO				\$21.50	\$24.50	\$3.00	13.95%	\$3.00	\$3.00	\$0.00	1005
A3/36	NAR ML/LG FLAT-2W				\$21.50	\$24.50	\$3.00	13.95%	\$3.00	\$3.00	\$0.00	1005

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	RATE GROUP 4											
A3/2	BUS 1-PARTY FLAT		\$32.90	\$35.90	\$32.90	\$35.90	\$3.00	9.12%	\$3.00	\$3.00	0.00%	1003
A103/1	BUS 2-PARTY FLAT		\$26.86	\$29.86	\$26.86	\$29.86	\$3.00	11.17%	\$3.00	\$3.00	0.00%	1003
A3/40	BUS FLAT HTG		\$10.00	\$10.00	\$10.00	\$10.00	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1004
A3/40	BUS MESS HTG		\$29.46	\$32.46	\$29.46	\$32.46	\$3.00	10.18%	\$3.00	\$3.00	0.00%	1004
A3/2	BUS STD MEAS		\$10.00	\$10.00	\$10.00	\$10.00	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1003
A3/40	BUS MEAS HTG		\$29.70	\$32.70	\$29.70	\$32.70	\$3.00	10.10%	\$3.00	\$3.00	0.00%	1004
A3/3.1	BUS PLAN LINE W/LUD		\$32.70	\$35.70	\$32.70	\$35.70	\$3.00	9.17%	\$3.00	\$3.00	0.00%	1003
A3/3.1	BUS PLAN HTG		\$10.00	\$10.00	\$10.00	\$10.00	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1004
A3/60	BUS BACK-UP LINE		\$16.45	\$17.95	\$16.45	\$17.95	\$1.50	9.12%	\$1.50	\$1.50	0.00%	1104
A3/43	TRK FLAT-IN		\$32.90	\$32.90	\$32.90	\$32.90	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1006
A3/43	TRK FLAT-OUT		\$32.90	\$32.90	\$32.90	\$32.90	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1006
A3/43	TRK DID COMBO		\$65.80	\$68.80	\$65.80	\$68.80	\$3.00	4.56%	\$3.00	\$3.00	0.00%	1006
A3/43.1	TRK MESS-OUT 1ST		\$20.77	\$23.77	\$20.77	\$23.77	\$3.00	14.44%	\$3.00	\$3.00	0.00%	1006
A3/43.1	TRK MESS-OUT ADDL		\$15.77	\$18.77	\$15.77	\$18.77	\$3.00	19.02%	\$3.00	\$3.00	0.00%	1006
A3/43.1	TRK MESS-2W 1ST		\$20.77	\$23.77	\$20.77	\$23.77	\$3.00	14.44%	\$3.00	\$3.00	0.00%	1006
A3/43.1	TRK MESS-2W ADDL		\$15.77	\$18.77	\$15.77	\$18.77	\$3.00	19.02%	\$3.00	\$3.00	0.00%	1006
A3/43	TRK MEAS-IN		\$29.46	\$29.46	\$29.46	\$29.46	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1006
A3/43	TRK MEAS-OUT		\$29.46	\$29.46	\$29.46	\$29.46	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1006
A3/43	TRK MEAS-2W		\$29.70	\$29.70	\$29.70	\$29.70	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1006
A3/43.1	TRK PLAN IN		\$32.70	\$32.70	\$32.70	\$32.70	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1006
A3/43.1	TRK PLAN OUT		\$32.70	\$32.70	\$32.70	\$32.70	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1006
A3/43.1	TRK PLAN OUT W/LUD		\$29.70	\$29.70	\$29.70	\$29.70	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1006
A3/43.1	TRK PLAN 2W		\$32.70	\$32.70	\$32.70	\$32.70	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1006
A3/43.1	TRK PLAN 2W W/LUD		\$21.50	\$21.50	\$21.50	\$21.50	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1005
A3/36	NAR ESSX FLAT-IN		\$21.50	\$21.50	\$21.50	\$21.50	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1005
A3/36	NAR ESSX FLAT-OUT		\$10.00	\$10.00	\$10.00	\$10.00	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1005
A3/36	NAR ESSX FLAT-2W		\$10.00	\$10.00	\$10.00	\$10.00	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1005
A3/36.0.1	NAR ESSX PLAN IN		\$10.00	\$10.00	\$10.00	\$10.00	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1005
A3/36.0.1	NAR ESSX PLAN IN W/LUD		\$10.00	\$10.00	\$10.00	\$10.00	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1005
A3/36.0.1	NAR ESSX PLAN OUT		\$13.00	\$13.00	\$13.00	\$13.00	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1005
A3/36.0.1	NAR ESSX PLAN OUT W/LUD		\$13.00	\$13.00	\$13.00	\$13.00	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1005
A111/5	NAR ESSX-1/SPL FLAT-IN		\$32.90	\$32.90	\$32.90	\$32.90	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1005
A111/5	NAR ESSX-1/SPL FLAT-OUT		\$32.90	\$32.90	\$32.90	\$32.90	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1005
A111/5	NAR ESSX-1/SPL FLAT-2W		\$32.90	\$32.90	\$32.90	\$32.90	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1005
A3/36	NAR ML/LG FLAT-IN		\$21.50	\$21.50	\$21.50	\$21.50	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1005
A3/36	NAR ML/LG FLAT-OUT		\$43.00	\$43.00	\$43.00	\$43.00	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1005
A3/36	NAR DID COMBO		\$21.50	\$24.50	\$21.50	\$24.50	\$3.00	13.95%	\$3.00	\$3.00	0.00%	1005
A3/36	NAR ML/LG FLAT-2W		\$21.50	\$24.50	\$21.50	\$24.50	\$3.00	13.95%	\$3.00	\$3.00	0.00%	1005

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	RATE GROUP 5											
A3/2	BUS 1-PARTY FLAT		\$32.90	\$35.25	\$32.90	\$35.25	\$2.35	7.14%	\$2.35	\$2.35	\$0.00	1003
A103/1	BUS 2-PARTY FLAT		\$35.82	\$38.17	\$35.82	\$38.17	\$2.35	6.56%	\$2.35	\$2.35	\$0.00	1003
A3/40	BUS FLAT HTG		\$5.70	\$5.70	\$5.70	\$5.70	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1004
A3/23	BUS STD MESS		\$31.04	\$31.04	\$31.04	\$31.04	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1003
A3/40	BUS MESS HTG		\$5.70	\$5.70	\$5.70	\$5.70	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1004
A3/2	BUS STD MEAS		\$35.82	\$38.17	\$35.82	\$38.17	\$2.35	6.56%	\$2.35	\$2.35	\$0.00	1003
A3/40	BUS MEAS HTG		\$5.70	\$5.70	\$5.70	\$5.70	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1004
A3/3.1	BUS PLAN LINE		\$33.00	\$35.35	\$33.00	\$35.35	\$2.35	7.12%	\$2.35	\$2.35	\$0.00	1003
A3/3.1	BUS PLAN LINE W/LUD		\$36.00	\$38.35	\$36.00	\$38.35	\$2.35	6.53%	\$2.35	\$2.35	\$0.00	1004
A3/40	BUS PLAN HTG		\$5.70	\$5.70	\$5.70	\$5.70	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1004
A3/60	BUS BACK-UP LINE		\$16.45	\$17.63	\$16.45	\$17.63	\$1.18	7.17%	\$1.18	\$1.18	\$0.00	1104
A3/43	TRK FLAT-IN		\$32.90	\$32.90	\$32.90	\$32.90	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1006
A3/43	TRK FLAT-OUT		\$32.90	\$35.25	\$32.90	\$35.25	\$2.35	7.14%	\$2.35	\$2.35	\$0.00	1006
A3/43	TRK FLAT-2W		\$32.90	\$35.25	\$32.90	\$35.25	\$2.35	7.14%	\$2.35	\$2.35	\$0.00	1006
A3/43	TRK DID COMBO		\$65.80	\$68.15	\$65.80	\$68.15	\$2.35	3.57%	\$2.35	\$2.35	\$0.00	1006
A3/43	TRK MESS-OUT 1ST		\$31.04	\$33.39	\$31.04	\$33.39	\$2.35	7.57%	\$2.35	\$2.35	\$0.00	1006
A3/43	TRK MESS-OUT ADDL		\$26.04	\$28.39	\$26.04	\$28.39	\$2.35	9.02%	\$2.35	\$2.35	\$0.00	1006
A3/43	TRK MESS-2W 1ST		\$35.82	\$38.17	\$35.82	\$38.17	\$2.35	6.56%	\$2.35	\$2.35	\$0.00	1006
A3/43	TRK MESS-2W ADDL		\$35.82	\$38.17	\$35.82	\$38.17	\$2.35	6.56%	\$2.35	\$2.35	\$0.00	1006
A3/43	TRK MEAS-IN		\$35.82	\$38.17	\$35.82	\$38.17	\$2.35	6.56%	\$2.35	\$2.35	\$0.00	1006
A3/43	TRK MEAS-2W		\$33.00	\$33.00	\$33.00	\$33.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1006
A3/43.1	TRK PLAN IN		\$33.00	\$35.35	\$33.00	\$35.35	\$2.35	7.12%	\$2.35	\$2.35	\$0.00	1006
A3/43.1	TRK PLAN OUT		\$36.00	\$38.35	\$36.00	\$38.35	\$2.35	6.53%	\$2.35	\$2.35	\$0.00	1006
A3/43.1	TRK PLAN OUT W/LUD		\$33.00	\$35.35	\$33.00	\$35.35	\$2.35	7.12%	\$2.35	\$2.35	\$0.00	1006
A3/43.1	TRK PLAN 2W		\$36.00	\$38.35	\$36.00	\$38.35	\$2.35	6.53%	\$2.35	\$2.35	\$0.00	1006
A3/43.1	TRK PLAN 2W W/LUD		\$21.50	\$21.50	\$21.50	\$21.50	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1005
A3/36	NAR ESSK FLAT-IN		\$21.50	\$21.50	\$21.50	\$21.50	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1005
A3/36	NAR ESSK FLAT-OUT		\$10.00	\$10.00	\$10.00	\$10.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1005
A3/36	NAR ESSK PLAN IN		\$10.00	\$10.00	\$10.00	\$10.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1005
A3/36.0.1	NAR ESSK PLAN IN W/LUD		\$10.00	\$10.00	\$10.00	\$10.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1005
A3/36.0.1	NAR ESSK PLAN OUT		\$13.00	\$13.00	\$13.00	\$13.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1005
A3/36.0.1	NAR ESSK PLAN OUT W/LUD		\$10.00	\$10.00	\$10.00	\$10.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1005
A3/36.0.1	NAR ESSK PLAN 2W		\$13.00	\$13.00	\$13.00	\$13.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1005
A3/36.0.1	NAR ESSK PLAN 2W W/LUD		\$32.90	\$35.25	\$32.90	\$35.25	\$2.35	7.14%	\$2.35	\$2.35	\$0.00	1005
A111/5	NAR ESSK-1/SPL FLAT-IN		\$32.90	\$35.25	\$32.90	\$35.25	\$2.35	7.14%	\$2.35	\$2.35	\$0.00	1005
A111/5	NAR ESSK-1/SPL FLAT-OUT		\$32.90	\$35.25	\$32.90	\$35.25	\$2.35	7.14%	\$2.35	\$2.35	\$0.00	1005
A3/36	NAR ML/LG FLAT-IN		\$21.50	\$21.50	\$21.50	\$21.50	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1005
A3/36	NAR ML/LG FLAT-OUT		\$21.50	\$21.50	\$21.50	\$21.50	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	1005
A3/36	NAR DID COMBO		\$43.00	\$45.35	\$43.00	\$45.35	\$2.35	5.47%	\$2.35	\$2.35	\$0.00	1005

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	EXCEPTION EXCHANGES											
A3/2	BUS 1-PARTY FLAT		\$32.90		\$35.90	\$3.00	9.12%	\$3.00	\$3.00			1003
A103/1	BUS 2-PARTY FLAT		\$26.86		\$29.86	\$3.00	11.17%	\$3.00	\$3.00			1003
A3/40	BUS FLAT HTG		\$10.00		\$10.00	\$0.00	0.00%	\$0.00	\$0.00			1004
A3/40	BUS MESS HTG		\$10.00		\$10.00	\$0.00	0.00%	\$0.00	\$0.00			1004
A3/40	BUS MEAS HTG		\$10.00		\$10.00	\$0.00	0.00%	\$0.00	\$0.00			1004
A3/3.1	BUS PLAN LINE		\$29.70		\$32.70	\$3.00	10.10%	\$3.00	\$3.00			1003
A3/3.1	BUS PLAN LINE W/LUD		\$32.70		\$35.70	\$3.00	9.17%	\$3.00	\$3.00			1003
A3/40	BUS PLAN HTG		\$10.00		\$10.00	\$0.00	0.00%	\$0.00	\$0.00			1004
A3/60	BUS BACK-UP LINE		\$16.45		\$17.95	\$1.50	9.12%	\$1.50	\$1.50			1104
A3/43	TRK FLAT-IN		\$32.90		\$32.90	\$0.00	0.00%	\$0.00	\$0.00			1006
A3/43	TRK FLAT-OUT		\$32.90		\$32.90	\$0.00	0.00%	\$0.00	\$0.00			1006
A3/43	TRK FLAT-2W		\$32.90		\$32.90	\$0.00	0.00%	\$0.00	\$0.00			1006
A3/43	TRK DID COMBO		\$65.80		\$68.80	\$3.00	4.56%	\$3.00	\$3.00			1006
A3/43.1	TRK MESS-OUT 1ST		\$20.77		\$23.77	\$3.00	14.44%	\$3.00	\$3.00			1006
A3/43.1	TRK MESS-OUT ADDL		\$15.77		\$18.77	\$3.00	19.02%	\$3.00	\$3.00			1006
A3/43.1	TRK MESS-2W 1ST		\$20.77		\$23.77	\$3.00	14.44%	\$3.00	\$3.00			1006
A3/43.1	TRK MESS-2W ADDL		\$15.77		\$18.77	\$3.00	19.02%	\$3.00	\$3.00			1006
A3/43.1	TRK PLAN IN		\$29.70		\$29.70	\$0.00	0.00%	\$0.00	\$0.00			1006
A3/43.1	TRK PLAN OUT		\$29.70		\$29.70	\$0.00	0.00%	\$0.00	\$0.00			1006
A3/43.1	TRK PLAN OUT W/LUD		\$32.70		\$32.70	\$0.00	0.00%	\$0.00	\$0.00			1006
A3/43.1	TRK PLAN 2W		\$32.70		\$32.70	\$0.00	0.00%	\$0.00	\$0.00			1006
A3/43.1	TRK PLAN 2W W/LUD		\$32.70		\$32.70	\$0.00	0.00%	\$0.00	\$0.00			1006
A3/36	NAR ESSX FLAT-IN		\$21.50		\$21.50	\$0.00	0.00%	\$0.00	\$0.00			1005
A3/36	NAR ESSX FLAT-OUT		\$21.50		\$21.50	\$0.00	0.00%	\$0.00	\$0.00			1005
A3/36	NAR ESSX FLAT-2W		\$21.50		\$21.50	\$0.00	0.00%	\$0.00	\$0.00			1005
A3/36.0.1	NAR ESSX PLAN IN		\$10.00		\$10.00	\$0.00	0.00%	\$0.00	\$0.00			1005
A3/36.0.1	NAR ESSX PLAN IN W/LUD		\$10.00		\$10.00	\$0.00	0.00%	\$0.00	\$0.00			1005
A3/36.0.1	NAR ESSX PLAN OUT		\$10.00		\$10.00	\$0.00	0.00%	\$0.00	\$0.00			1005
A3/36.0.1	NAR ESSX PLAN OUT W/LUD		\$10.00		\$10.00	\$0.00	0.00%	\$0.00	\$0.00			1005
A3/36.0.1	NAR ESSX PLAN 2W		\$13.00		\$13.00	\$0.00	0.00%	\$0.00	\$0.00			1005
A111/5	NAR ESSX-1/SPL FLAT-IN		\$32.90		\$32.90	\$0.00	0.00%	\$0.00	\$0.00			1005
A111/5	NAR ESSX-1/SPL FLAT-OUT		\$32.90		\$32.90	\$0.00	0.00%	\$0.00	\$0.00			1005
A111/5	NAR ESSX-1/SPL FLAT-IN		\$32.90		\$32.90	\$0.00	0.00%	\$0.00	\$0.00			1005
A3/36	NAR ML/LG FLAT-IN		\$21.50		\$21.50	\$0.00	0.00%	\$0.00	\$0.00			1005
A3/36	NAR ML/LG FLAT-OUT		\$21.50		\$21.50	\$0.00	0.00%	\$0.00	\$0.00			1005
A3/36	NAR DID COMBO		\$43.00		\$46.00	\$3.00	6.98%	\$3.00	\$3.00			1005
A3/36	NAR ML/LG FLAT-2W		\$21.50		\$24.50	\$3.00	13.95%	\$3.00	\$3.00			1005
A3/57.1	NAR ML/LG VU MEAS-IN		\$25.00		\$25.00	\$0.00	0.00%	\$0.00	\$0.00			1005
A3/57.1	NAR ML/LG VU MEAS-OUT		\$25.00		\$25.00	\$0.00	0.00%	\$0.00	\$0.00			1005
A3/57.1	NAR ML/LG VU MEAS-2W		\$25.00		\$28.00	\$3.00	12.00%	\$3.00	\$3.00			1005
A3/57.1	NAR ML/LG MEAS IN - ESSX		\$25.00		\$25.00	\$0.00	0.00%	\$0.00	\$0.00			1005

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
A3/57.1	NAR ML/LG MEAS OUT - ESSX		\$25.00	\$25.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1005
A3/57.1	NAR ML/LG MEAS 2W - ESSX		\$25.00	\$25.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1005
A3/57.1	NAR ML/LG PLAN VU IN		\$25.00	\$25.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1005
A3/57.1	NAR ML/LG PLAN VU OUT		\$25.00	\$25.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1005
A3/57.2	NAR ML/LG PLAN VU 2W		\$25.00	\$25.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1005
A3/57.2	NAR ML/LG PLAN IN - ESSX		\$25.00	\$25.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1005
A3/57.2	NAR ML/LG PLAN OUT - ESSX		\$49.28	\$49.28	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1005
A3/57.2	NAR ML/LG PLAN 2W - ESSX		\$49.28	\$49.28	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1006
A3/57.1	NAS ML/LG TRK IN		\$49.28	\$49.28	\$3.00	\$3.00	6.09%	\$3.00	\$3.00	\$3.00	\$3.00	1006
A3/57.1	NAS ML/LG TRK OUT		\$49.28	\$49.28	\$3.00	\$3.00	6.09%	\$3.00	\$3.00	\$3.00	\$3.00	1006
A3/57.1	NAS ML/LG TRK 2W		\$49.28	\$49.28	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1006
A3/57.3	NAS ML/LG PLAN TRK IN		\$49.28	\$49.28	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1006
A3/57.3	NAS ML/LG PLAN TRK OUT		\$49.28	\$49.28	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1006
A3/57.3	NAS ML/LG PLAN TRK 2W		\$49.28	\$49.28	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1006
A3/36	NAR MULTISERV PLUS FLAT 2W		\$21.50	\$21.50	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1005
A3/36	NAR MULTISERV PLUS FLAT OUT		\$21.50	\$21.50	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1005
A3/36	NAR MULTISERV PLUS FLAT IN		\$21.50	\$21.50	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1005
A3/36.1	NAR MULTISERV PLUS MEAS 2W		\$10.00	\$10.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1005
A3/36.1	NAR MULTISERV PLUS MEAS OUT		\$10.00	\$10.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1005
A3/36.1	NAR MULTISERV PLUS MEAS IN		\$28.83	\$28.83	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1005
A7/8	COCOT-FLAT		\$7.99	\$10.99	\$3.00	\$3.00	37.55%	\$3.00	\$3.00	\$3.00	\$3.00	1015
A103/2	JU BUS FLAT		\$5.99	\$8.99	\$3.00	\$3.00	50.08%	\$3.00	\$3.00	\$3.00	\$3.00	1015
A103/2	JU BUS MEAS		\$7.99	\$10.99	\$3.00	\$3.00	37.55%	\$3.00	\$3.00	\$3.00	\$3.00	1015
A103/3	JU TKS FLAT		\$5.19	\$8.19	\$3.00	\$3.00	57.80%	\$3.00	\$3.00	\$3.00	\$3.00	1015
A103/3	JU TKS MEBS		\$5.99	\$8.99	\$3.00	\$3.00	50.08%	\$3.00	\$3.00	\$3.00	\$3.00	1015
A103/3	JU TKS MEAS		\$2.08	\$5.08	\$3.00	\$3.00	144.23%	\$3.00	\$3.00	\$3.00	\$3.00	1015
A103/3	JU HOTEL MESS		\$2.40	\$5.40	\$3.00	\$3.00	125.00%	\$3.00	\$3.00	\$3.00	\$3.00	1015
A103/3	JU HOTEL MEAS		\$32.90	\$35.90	\$3.00	\$3.00	9.12%	\$3.00	\$3.00	\$3.00	\$3.00	2024
A13/9	TOLL TERM		\$21.39	\$21.39	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1529
A13/43	PUB ANN		\$10.00	\$10.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1004
A13/40	PUB ANN HTG		\$32.90	\$32.90	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1016
A13/29	911 ACCESS		\$32.90	\$32.90	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1511
A9/3	PX BUS LINES - FLAT		\$94.60	\$94.60	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	2054
A29/1.3	DIAL DATA ACCESS		\$32.90	\$32.90	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1007
A3/58	TRUNK SIDE ACCESS FACILITY		\$60.00	\$60.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	1007
	EXCEPTION EXCHANGES											
	TOTAL								\$98,968,255	\$105,710,502	\$6,742,246	

SUBTOTAL

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Present and Proposed Rates and Revenues
LOCAL EXCHANGE

Develop Date : 06/00
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TOTAL REVENUES

	Present Annual Revenue (1)	Proposed Annual Revenue (2)	Annual Revenue Change (3)
SUB-TOTALS			
Recurring	\$98,968,255	\$105,710,502	\$6,742,246
Non-recurring	\$0	\$0	\$0
SECTION TOTALS	\$98,968,255	\$105,710,502	\$6,742,246

Present and Proposed Rates and Revenues
LOCAL EXCHANGE

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TOTAL REVENUES SUMMED BY MARKET BASKET

M B Segment (1)	Service Description (2)	Present Annual Revenue (3)	Proposed Annual Revenue (4)	Annual Revenue Change (5)
1001	FLAT RATE RESIDENTIAL	#REF!	#REF!	#REF!
1002	RESIDENTIAL (MEASURED, MESSAGE, EXPANDED CALLING PLANS)	#REF!	#REF!	#REF!
1003	BUSINESS	\$71,274,746	\$77,277,006	\$6,002,260
1004	GROUPING SERVICE	\$8,462,908	\$8,462,908	\$0
1005	NETWORK ACCESS REGISTERS	\$4,502,405	\$4,641,577	\$139,172
1006	TRUNK LINES	\$9,198,813	\$9,745,653	\$546,840
1007	TRUNK SIDE ACCESS FACILITY	\$0	\$0	\$0
1015	JOINT USER SERVICE	\$1,532	\$2,005	\$473
1016	EMERGENCY REPORTING NETWORK SERVICES	\$4,256	\$4,652	\$396
1104	BACK-UP LINE	\$43,240	\$480,457	\$337,216
1511	FOREIGN EXCHANGE AND FOREIGN C.O. SERVICE - KY	\$407,537	\$407,537	\$0
1529	ANNOUNCEMENT FACILITIES - KY	\$42,340	\$42,340	\$0
1576	ISDN INDIVIDUAL SERVICES - RESIDENTIAL AND BUSINESS - KY	#REF!	#REF!	#REF!
2024	TOLL TRUNKS (TOLL TERMINALS)	\$181,982	\$197,590	\$15,607
2054	DATA TRANSPORT SERVICE ACCESS CHANNEL SERVICE	\$3,948	\$4,230	\$282
3001	ACCESS LINE SVC FOR CUST. PROVIDED TELEPHONE	\$4,444,548	\$4,444,548	\$0

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Present and Proposed Rates and Revenues
 A013 MISCELLANEOUS SERVICE ARRANGEMENTS

State: Kentucky
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RECURRING RATES

Tariff Section/ Page # (1)	Service Description (2)	USOC (3)	Present Demand (4)	Proposed Demand (5)	Present Rate (6)	Proposed Rate (7)	\$ Change (8)	% Change (9)	Present Annual Revenue (10)	Proposed Annual Revenue (11)	Annual Revenue Change (12)	MB Seg. (13)
A13/1	A013.02.03 TOUCH-TONE CALLING SERVICE BUS, PER LINE OR TRUNK	TTB			\$3.00	\$0.00	(\$3.00)	-100.00%				1011
	PSP, RG 1-4	TTB			\$3.00	\$0.00	\$0.00	0.00%				1011
	PSP, RG 5	TTB			\$3.00	\$2.35	(\$0.65)	-21.67%				1011
A13/	PBX C O TRUNK/TRUNK	TJB			\$3.00	\$0.00	(\$3.00)	-100.00%				1011
A13/	CPE PBX TRUNK/TRUNK	TT2			\$3.00	\$0.00	(\$3.00)	-100.00%				1011
	A013.02.03 TOUCH-TONE CALLING SERVICE											
	TOTAL								\$7,636,212	\$420,760	(\$7,215,452)	

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Present and Proposed Rates and Revenues
 A013 MISCELLANEOUS SERVICE ARRANGEMENTS

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TOTAL REVENUES

	Present Annual Revenue (1)	Proposed Annual Revenue (2)	Annual Revenue Change (3)
SUB-TOTALS			
Recurring	\$7,636,212	\$420,760	(\$7,215,452)
Non-recurring	\$0	\$0	\$0
SECTION TOTALS	\$7,636,212	\$420,760	(\$7,215,452)

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Present and Proposed Rates and Revenues
A013 MISCELLANEOUS SERVICE ARRANGEMENTS

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TOTAL REVENUES SUMMED BY MARKET BASKET

M B Segment (1)	Service Description (2)	Present Annual Revenue (3)	Proposed Annual Revenue (4)	Annual Revenue Change (5)
1011	TOUCH-TONE CALLING SERVICE	\$7,636,212	\$420,760	(\$7,215,452)

Payphone Service Provider charges for blocking and screening today range from \$2.00 to \$4.00 depending on the option selected. This proposal includes a reduction to \$0.90 regardless of option selected. The revenue effect of this reduction is (\$178,136) as reflected in the attached priceout.

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Present and Proposed Rates and Revenues
 A007 COIN TELEPHONE SERVICE

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RECURRING RATES

Tariff Section/ Page # (1)	Service Description (2)	USOC (3)	Present Demand (4)	Proposed Demand (5)	Present Rate (6)	Proposed Rate (7)	\$ Change (8)	% Change (9)	Present Annual Revenue (10)	Proposed Annual Revenue (11)	Annual Revenue Change (12)	MB Seg. (13)
	A007.04.05 COCOT ACCESS LINE SERVICE											
A7/8	UNRESTRCTD, OUT, EACH	12Y			\$2.00	\$0.90	(\$1.10)	-55.00%				3001
A7/8	UNRESTRCTD, 2-WAY, EACH	122			\$2.00	\$0.90	(\$1.10)	-55.00%				3001
A7/8	RESTRCTD, OUT, EACH	123			\$4.00	\$0.90	(\$3.10)	-77.50%				3001
A7/8	RESTRCTD, 2-WAY, EACH	125			\$4.00	\$0.90	(\$3.10)	-77.50%				3001
A7/8	RESTRCTD, OUT, EACH	13D			\$3.00	\$0.90	(\$2.10)	-70.00%				3001
A7/8	RESTRCTD, 2-WAY, EACH	13E			\$3.00	\$0.90	(\$2.10)	-70.00%				3001
A7/8	RESTRCTD, 2-WAY, EACH	13R			\$2.00	\$0.90	(\$1.10)	-55.00%				3001
	A007.04.05 COCOT ACCESS LINE SERVICE								\$315,048	\$136,912	(\$178,136)	
	TOTAL								\$315,048	\$136,912	(\$178,136)	

Private/Proprietary: No disclosure outside BELL SOUTH except under written agreement.

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Present and Proposed Rates and Revenues
 A007 COIN TELEPHONE SERVICE

Develop Date : 06/00
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TOTAL REVENUES

	Present Annual Revenue (1)	Proposed Annual Revenue (2)	Annual Revenue Change (3)
SUB-TOTALS			
Recurring	\$315,048	\$136,912	(\$178,136)
Non-recurring	\$0	\$0	\$0
SECTION TOTALS	\$315,048	\$136,912	(\$178,136)

State: Kentucky
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Present and Proposed Rates and Revenues
 A007 COIN TELEPHONE SERVICE

Develop Date : 06/00
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TOTAL REVENUES SUMMED BY MARKET BASKET

M B Segment (1)	Service Description (2)	Present Annual Revenue (3)	Proposed Annual Revenue (4)	Annual Revenue Change (5)
3001	ACCESS LINE SVC FOR CUST. PROVIDED TELEPHONE	\$315,048	\$136,912	(\$178,136)

Elimination of Non Traffic Sensitive Revenue Requirement (NTSRR).

The elimination of this requirement reduces revenue (\$7,533,347) per the attached priceout. The priceout reflects that NTSRR was reduced by (\$372,801) to offset the per use increases filed August 1, 2000 and approved by the Commission in its order in Case 94-121 on August 29, 2000. In that same order the Commission required that the offset to the per use rate increase be taken from some service in the non-competitive category. The Company believes that the result included here is consistent with the Commission's order. Consider the following:

	PER PSC ORDER	PER COMPANY PROPOSAL
per use increase	\$ 372,801	\$ 372,802
NTSRR last 12 months	\$ 14,676,548	\$ 14,676,548
8/1 decrease	\$ (6,608,667)	\$ (6,608,667)
8/1/ decrease	\$ (161,733)	\$ (161,733)
9/1/ decrease		\$ (372,801)
TT reduction	\$ (372,801)	
1 RESIDENTIAL INCREASE	\$ 5,785,029	\$ 5,785,029
2 MTS INCREASE	\$ 2,380,609	\$ 2,380,610
3 ELIMINATE NTSRR	\$ (7,906,148)	\$ (7,533,347)
4 REDUCE SCREENING & BLOCKING	\$ (178,136)	\$ (178,135)
5 TT reduction to balance effects	\$ (81,354)	\$ (454,157)
6 total of lines 1 - 5	\$0.00	\$0.00

SUBJECT INDEX

SUBJECT	Section
R	
Rearrangements of Existing Plant	A5
Recorded Public Announcements	A2
Recording of Telephone Conversations	A2
Reference Listings	A6
Regrouping	A3
Regulations	A2
Regulations Applicable to Directory Listings	A6
Remote Call Forwarding	A13
Repairs and Maintenance	A2
Residence Additional Listing	A6
Residence Listing	A6
Residence Rate Application	A2
Residence Service for Company Employees	A2
(DELETED)	
Restoration and Suspension Charge (See Line Change Charge)	A4 (D)
Ringer Limitations	A2
RingMaster [*] Service	A13 (T)
RingMaster [®] Service Listing	A6 (T)
Rules and Regulations	A2

A3. BASIC LOCAL EXCHANGE SERVICE

A3.2 Statewide Rate Schedules

A3.2.1 Flat Rate Schedule

A. The following schedule of monthly rates is applicable to Flat Rate Main Station Line Service:

1. Rate groups include total main station lines and PBX trunks.

Residence and Business 2-Pty. are Obsolete Service Offerings. (See Section A103.)

	Residence		Business		USOC	
	1-Pty.	2-Pty.	1-Pty.	2-Pty.		
(a) Group 1 (0-13,800)	\$12.77	\$-	\$35.00	\$-	NA	(1)
(b) Group 2 (13,801 - 25,100)	13.67	-	35.90	-	NA	(1)
(c) Group 3 (25,101 - 45,500)	14.37	-	35.90	-	NA	(1)
(d) Group 4 (45,501 - 200,800)	15.05	-	35.90	-	NA	(1)
(e) Group 5 (200,801 - 1,191,800)	18.40	-	35.25	-	NA	(1)

B. In accordance with KPSC Docket No. 91-149, the following exchanges have an exception rate to the statewide group.

1. Exception from the schedule.

	Residence		Business		USOC	
	1-Pty.	2-Pty.	1-Pty.	2-Pty.		
(a) Georgetown	\$15.22	\$-	\$35.90	\$-	NA	(1)
(b) Sadieville	15.22	-	35.90	-	NA	(1)
(c) Stamping Ground	15.22	-	35.90	-	NA	(1)

A3.2.2 Reserved For Future Use

A3.2.3 Measured Rate Schedule

(See A3.1.E.)

A. The following schedule of monthly rates is applicable to measured rate main station line service:

1. Rate groups include total main station lines and PBX trunks for individual lines.

	Residence		Business	USOC	
	Low Use	Standard			
(a) Group 1 (0 - 13,800)	\$6.91	\$9.84	\$26.17	NA	(1)
(b) Group 2 (13,801 - 25,100)	7.36	10.52	28.52	NA	(1)
(c) Group 3 (25,101 - 45,500)	7.70	11.04	30.52	NA	(1)
(d) Group 4 (45,501 - 200,800)	8.05	11.56	32.46	NA	(1)
(e) Group 5 (200,801 - 1,191,800)	9.73	14.08	38.17	NA	(1)

B. The rates stated preceding include the following monthly local usage allowances for dialed sent paid local calls:

1. Usage allowance

	Usage Allowance	USOC
(a) Low-Use Residence Measured Service	\$-	NA
(b) Standard Residence Measured Service	5.00	NA
(c) Business Measured Service	7.50	NA

C. Usage Rates

D. The following mileage bands and rates apply for all usage within the Limited Local Calling Area. This schedule is not applicable for any service established after Area Calling Service is offered in an exchange. Usage charges will be billed in arrears. Partial minutes count as full minutes for each individual call completed.

Mileage Bands	Initial Minute	Additional Minute
A (0 miles)	\$0.04	\$0.02
B (1-10 miles Limited LCA)	.04	.02
C (Greater than 10 miles Limited LCA)	.06	.04

A3. BASIC LOCAL EXCHANGE SERVICE

A3.2 Statewide Rate Schedules (Cont'd)

A3.2.5 Reserved For Future Use

A3.2.6 Reserved For Future Use

A3.2.7 Reserved For Future Use

A3.2.8 Area Calling Service

- A. Area Calling Service is an optional offering that provides local calling from the subscribers' home wire center to all exchanges within the Full Local Calling Area, as described in A3.6.1. Initial availability dates of Area Calling Service in approved exchanges are determined by the Company.
- B. This service is not available to party line customers, Shared Tenant Service or customer-provided public telephone subscribers with the exception of SmartLine[®] service for Customer Provided Public Telephones. Subscribers to SmartLine[®] service may subscribe to Area Calling Service usage rates as follows. The access line for SmartLine[®] service on Area Calling Service is provided in A7.8 of this Tariff. Premium Calling is not available to SmartLine[®] service subscribers.
- C. The access line for Residence and Business Area Calling Service is provided at the following rate. All other services offering Area Calling Service are provided for in the appropriate sections of this Tariff. Separate access line rates are provided for Local Usage Detail (LUD) subscribers. LUD is described in A3.22.
 - 1. Access Line (with LUD)

		Monthly Rate			
		Rate Group	Rate Group		
		1 - 4	5		
(a)	Residence	\$10.50	\$12.07	USOC	(i)
(b)	Business Inward	29.70	33.00	B2K1D	
(c)	Business Both Way	35.70	38.35	B2K2D	(i)
2. Access Line (without LUD)					
(a)	Residence	9.45	11.02	R2K2K	(i)
(b)	Business Inward	29.70	33.00	B2K1K	
(c)	Business Both Way	32.70	35.35	B2K2K	(i)

- D. In addition to the access line, Area Calling Service customers are billed local usage charges for all calls completed within the Full Local Calling Area at the charges shown in E. following.
- E. The following usage rates are applicable for all calls within the Full Local Calling Area and are based on airline mileage between wire centers. Each fraction of a minute counts as a full minute. These rates are also applicable for SmartLine[®] service as provided in A7.8 of this Tariff.

Mileage Bands	Initial Minute	Additional Minute
A (0 miles)	\$.02	\$.01
B (1-10 miles) within Limited LCA	.04	.02
C (Greater than 10 miles) within Limited LCA	.06	.04
D (1-10 miles) beyond Limited LCA	.04	.02
E (11-16 miles) beyond Limited LCA	.06	.04
F (17-22 miles) beyond Limited LCA	.09	.07
G (23-30 miles) beyond Limited LCA	.09	.07

ISSUED: September 5, 2000
BY: E.C. Roberts, Jr., President - KY
Louisville, Kentucky

A3. BASIC LOCAL EXCHANGE SERVICE

A3.2 Statewide Rate Schedules (Cont'd)

A3.2.8 Area Calling Service (Cont'd)

E. (Cont'd)

Mileage Bands	Initial Minute	Additional Minute
H (31-40 miles beyond Limited LCA)	.09	.07
I (Greater than 40 miles beyond Limited LCA)	.09	.07

F. Premium Calling

Premium Calling is available for residence and business customers and provides unlimited local calling within the Full Local Calling Area. Subscribers to this calling arrangement will not be billed local usage charges described in paragraph E. preceding for calls completed within the Full Local Calling Area. The Premium Calling Usage Package rate is in addition to the access line rate. Premium Calling customers may not subscribe to Local Usage Detail.

1. Premium Calling Usage Package

	Monthly Rate	USOC
(a) Residence	\$21.00	PREKX (I)
(b) Business	55.00	BREKX

2. Access Line

	Monthly Rate		USOC
	Rate Group 1 - 4	Rate Group 5	
(a) Residence	\$9.45	\$11.02	R2K2P (I)
(b) Business Inward	29.70	33.00	B2K1P
(c) Business Both Way	32.70	35.35	B2K2P (I)

G. Time/Day Discount - The preceding usage rates are peak period rates and apply from 8:00 AM to 8:00 PM, Monday through Friday (excluding holidays). Off-peak period rates apply to all other times and are rated at a 50 percent discount. When messages span more than one rate period, total charges for the minutes in each rate period are summarized and the results for each period are totaled to obtain the total message charge.

H. Grouping rates for subscribers of Area Calling Service are described in A3.19.

I. Calls completed with automated calling cards or operator assistance within the Limited Local Calling Area or Full Local Calling Area as described in A3.6.1 will be rated at the preceding usage charges, except for the Premium offering, in addition to the appropriate Operator Assisted Local Call surcharges. Such calls are itemized on the subscriber's billing statement and will be billed usage charges based on the originating number.

J. Calls made outside the Limited Local Calling Area, but within the Full Local Calling Area, on which customers requests time and charges, will have those quotations based on toll rates. This includes hotel paid guest quotation calls.

K. All rules and regulations that appear in other sections of this Tariff apply unless otherwise stated herein.

L. (DELETED) (D)

A3. BASIC LOCAL EXCHANGE SERVICE

A3.7 Monthly Exchange Rates

A3.7.1 Flat Rate Service

A. The rates specified herein, with OBRA zone charges when applicable to service furnished outside the Base Rate Area of an exchange or Locality Rate Area, entitle subscribers to an unlimited number of messages to all stations bearing the designation of central offices within the serving exchange and Limited Local Calling Area exchanges or Locality Rate Areas as shown in A3.6 preceding, Local Calling Areas, of this Tariff. Band zone charges shown in A3.9 following apply for Outside Base Area Service, except as noted by symbol (Z) following.

B. Explanation Of Symbols And Abbreviations:

R.G. = Rate Group

1-Pty. = Individual Line Service

2-Pty. = Two-Party Line Service

LRA = Locality Rate Area

(1) = All Base Rate Area

(2) = All Outside Base Rate Area

(Z) = Geographic zone charges for Individual and Two-Party Line Service outside the Base Rate Area also apply as shown in A3.9.3 following in lieu of those charges shown in A3.9.2 following.

Business 2-Pty. is an Obsolete Service Offering. (See A103.)

Residence 2-Pty is an Obsolete Service Offering (See A103.)

C. Exchange

1. Allen

			Residence		Business		USOC	
			1-Pty.	2-Pty.	1-Pty.	2-Pty.		
	(a)	R.G. 2	\$13.67	\$-	\$35.90	\$-	NA	(1)
2.	Aurora	(a) R.G. 1	12.77	-	35.00	-	NA	(1)
3.	Bagdad	(a) R.G. 1	12.77	-	35.00	-	NA	(1)
4.	Bardstown	(a) R.G. 1	12.77	-	35.00	-	NA	(1)
5.	Beattyville	(a) R.G. 1	12.77	-	35.00	-	NA	(1)
6.	Beaver Dam	(a) R.G. 1	12.77	-	35.00	-	NA	(1)
7.	Bedford	(a) R.G. 1	12.77	-	35.00	-	NA	(1)
8.	Benham-Lynch	(a) R.G. 1	12.77	-	35.00	-	NA	(1)
9.	Benton	(a) R.G. 1	12.77	-	35.00	-	NA	(1)

A3. BASIC LOCAL EXCHANGE SERVICE

A3.7 Monthly Exchange Rates (Cont'd)

A3.7.1 Flat Rate Service (Cont'd)

C. Exchange (Cont'd)

10. Bessie Bend

The exchange rates and regulations applicable in that area in and around Bessie Bend, Kentucky, which lies within and is a part of the local service area of the Tiptonville, Tennessee exchange, an exchange principally located within the State of Tennessee, shall be the same as those fixed for similar services in Tiptonville by the Public Service Commission of Tennessee.

11. Bloomfield

		Residence		Business		USOC	
		1-Pty.	2-Pty.	1-Pty.	2-Pty.		
	(a) R.G. 1	\$12.77	\$-	\$35.00	\$-	NA	(f)
12. Bluff Springs	(a) R.G. 3	14.37	-	35.90	-	NA	(f)
13. Bowling Green (Z)	(a) R.G. 3	14.37	-	35.90	-	NA	(f)
14. Bremen (Z)	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
15. Burgin	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
16. Cadiz	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
17. Calhoun	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
18. Campbellsburg	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
19. Canton	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
20. Carlisle	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
21. Carrollton	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
22. Cayce (Z)	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
23. Centertown	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
24. Central City (Z)	(a) R.G. 1	12.77	-	35.00	-	NA	(f)

A3. BASIC LOCAL EXCHANGE SERVICE

A3.7 Monthly Exchange Rates (Cont'd)

A3.7.1 Flat Rate Service (Cont'd)

C. Exchange (Cont'd)

25. Chaplin

			Residence		Business		USOC	(f)
			1-Pty.	2-Pty.	1-Pty.	2-Pty.		
	(a)	R.G. 1	\$12.77	\$-	\$35.00	\$-	NA	(f)
26.	Clay	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
27.	Clinton	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
28.	Cloverport	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
29.	Corbin	(a) R.G. 2	13.67	-	35.90	-	NA	(f)
30.	Cornishville	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
31.	Corydon	(a) R.G. 2	13.67	-	35.90	-	NA	(f)
32.	Crab Orchard	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
33.	Crofton	(a) R.G. 3	14.37	-	35.90	-	NA	(f)
34.	Cropper	(a) R.G. 2	13.67	-	35.90	-	NA	(f)
35.	Cynthiana	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
36.	Dade Park	The exchange rates and regulations applicable in that area in and around Dade Park, Kentucky, which lies within and is a part of the local service area of the Evansville, Indiana exchange, an exchange principally located within the State of Indiana, shall be the same as those fixed for similar services in Evansville by the Public Service Commission of Indiana.						
37.	Danville	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
38.	Dawson Springs	(a) R.G. 2	13.67	-	35.90	-	NA	(f)
39.	Dixon	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
40.	LRA Poole (2) (Z)	(a) R.G. 1	12.77	-	35.00	-	NA	(f)

A3. BASIC LOCAL EXCHANGE SERVICE

A3.7 Monthly Exchange Rates (Cont'd)

A3.7.1 Flat Rate Service (Cont'd)

C. Exchange (Cont'd)

41. Drakesboro (Z)

			Residence		Business		USOC	(f)
			1-Pty.	2-Pty.	1-Pty.	2-Pty.		
	(a)	R.G. 1	\$12.77	\$-	\$35.00	\$-	NA	(f)
42.		Earlington						
	(a)	R.G. 2	13.67	-	35.90	-	NA	(f)
43.		Eddyville (Z)						
	(a)	R.G. 1	12.77	-	35.00	-	NA	(f)
44.		Elkhorn City						
	(a)	R.G. 2	13.67	-	35.90	-	NA	(f)
45.		Elkton						
	(a)	R.G. 1	12.77	-	35.00	-	NA	(f)
46.		LRA Allensville						
	(a)	R.G. 1	12.77	-	35.00	-	NA	(f)
47.		Eminence						
	(a)	R.G. 1	12.77	-	35.00	-	NA	(f)
48.		LRA New Castle						
	(a)	R.G. 1	12.77	-	35.00	-	NA	(f)
49.		LRA Pleasureville						
	(a)	R.G. 1	12.77	-	35.00	-	NA	(f)
50.		LRA Smithfield						
	(a)	R.G. 1	12.77	-	35.00	-	NA	(f)
51.		Ensor						
	(a)	R.G. 3	14.37	-	35.90	-	NA	(f)
52.		Fedscreek						
	(a)	R.G. 2	13.67	-	35.90	-	NA	(f)
53.		Finchville						
	(a)	R.G. 1	12.77	-	35.00	-	NA	(f)
54.		Ford						
	(a)	R.G. 3	14.37	-	35.90	-	NA	(f)
55.		Fordsville						
	(a)	R.G. 1	12.77	-	35.00	-	NA	(f)
56.		Frankfort						
	(a)	R.G. 3	14.37	-	35.90	-	NA	(f)
57.		Franklin						
	(a)	R.G. 1	12.77	-	35.00	-	NA	(f)

A3. BASIC LOCAL EXCHANGE SERVICE

A3.7 Monthly Exchange Rates (Cont'd)

A3.7.1 Flat Rate Service (Cont'd)

C. Exchange (Cont'd)

58. Fredonia (Z)

		Residence		Business		USOC	
		1-Pty.	2-Pty.	1-Pty.	2-Pty.		
	(a) R.G. 1	\$12.77	\$-	\$35.00	\$-	NA	(1)
59. Freeburn	(a) R.G. 1	12.77	-	35.00	-	NA	(1)
60. Fulton (Z)	(a) R.G. 1	12.77	-	35.00	-	NA	(1)
61. Georgetown	(a) See A3.2.1.B	-	-	-	-	NA	
62. Ghent	(a) R.G. 1	12.77	-	35.00	-	NA	(1)
63. Gilbertsville	(a) R.G. 1	12.77	-	35.00	-	NA	(1)
64. Gracey	(a) R.G. 3	14.37	-	35.90	-	NA	(1)
65. Greenville (Z)	(a) R.G. 1	12.77	-	35.00	-	NA	(1)
66. Guthrie	(a) R.G. 1	12.77	-	35.00	-	NA	(1)
67. LRA Keysburg (2) (Z)	(a) R.G. 1	12.77	-	35.00	-	NA	(1)
68. Habit	(a) R.G. 3	14.37	-	35.90	-	NA	(1)
69. Hanson	(a) R.G. 2	13.67	-	35.90	-	NA	(1)
70. Hardinsburg	(a) R.G. 1	12.77	-	35.00	-	NA	(1)
71. Harlan	(a) R.G. 1	12.77	-	35.00	-	NA	(1)
72. Harrodsburg	(a) R.G. 1	12.77	-	35.00	-	NA	(1)
73. Hartford	(a) R.G. 1	12.77	-	35.00	-	NA	(1)
74. Hawesville	(a) R.G. 1	12.77	-	35.00	-	NA	(1)
	(a) R.G. 1	12.77	-	35.00	-	NA	(1)

A3. BASIC LOCAL EXCHANGE SERVICE

A3.7 Monthly Exchange Rates (Cont'd)

A3.7.1 Flat Rate Service (Cont'd)

C. Exchange (Cont'd)

75. Hebbardsville

		Residence		Business		USOC	
		1-Pty.	2-Pty.	1-Pty.	2-Pty.		
	(a) R.G. 2	\$13.67	\$-	\$35.90	\$-	NA	(f)
76.	Henderson (a) R.G. 2	13.67	-	35.90	-	NA	(f)
77.	Hickman (a) R.G. 1	12.77	-	35.00	-	NA	(f)
78.	Hopkinsville (a) R.G. 3	14.37	-	35.90	-	NA	(f)
79.	Inez (a) R.G. 1	12.77	-	35.00	-	NA	(f)
80.	Island (a) R.G. 1	12.77	-	35.00	-	NA	(f)
81.	Jackson (a) R.G. 1	12.77	-	35.00	-	NA	(f)
82.	Jellico (a) R.G. 1	12.77	-	35.00	-	NA	(f)

The exchange rates and regulations applicable in that area in and around Jellico, Kentucky, which lies within and is a part of the local service area of the Jellico, Tennessee exchange, an exchange principally located within the State of Tennessee, shall be the same as those fixed for similar services in Jellico, Tennessee by the Public Service Commission of Tennessee.

83. Jordan

The exchange rates and regulations applicable in that area in and around Jordan, Kentucky, which lies within and is a part of the local service area of the Union City, Tennessee exchange, an exchange principally located within the State of Tennessee, shall be the same as those fixed for similar services in Union City by the Public Service Commission of Tennessee.

84. Junction City

	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
85.	Kirksville (a) R.G. 3	14.37	-	35.90	-	NA	(f)
86.	LaFayette (a) R.G. 3	14.37	-	35.90	-	NA	(f)
87.	LaGrange (a) R.G. 5	18.40	-	35.25	-	NA	(f)
88.	Lawrenceburg (a) R.G. 1	12.77	-	35.00	-	NA	(f)
89.	Lebanon Junction (a) R.G. 1	12.77	-	35.00	-	NA	(f)

A3. BASIC LOCAL EXCHANGE SERVICE

A3.7 Monthly Exchange Rates (Cont'd)

A3.7.1 Flat Rate Service (Cont'd)

C. Exchange (Cont'd)

90. Little Rock

			Residence		Business		USOC	
			1-Pty.	2-Pty.	1-Pty.	2-Pty.		
91.	Livermore	(a) R.G. 1	\$12.77	\$-	\$35.00	\$-	NA	(f)
92.	Louisa	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
93.	Louisville (1)	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
94.	Maceo	(a) R.G. 5	18.40	-	35.25	-	NA	(f)
95.	Mackville (Z)	(a) R.G. 3	14.37	-	35.90	-	NA	(f)
96.	Madisonville	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
97.	LRA Anton Area (2) (Z)	(a) R.G. 2	13.67	-	35.90	-	NA	(f)
98.	Marion	(a) R.G. 2	13.67	-	35.90	-	NA	(f)
99.	Martin	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
100.	Mayfield (Z)	(a) R.G. 2	13.67	-	35.90	-	NA	(f)
101.	Maysville (Z)	(a) R.G. 2	13.67	-	35.90	-	NA	(f)
102.	McCarr (Z)	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
103.	McDaniels	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
104.	McDowell	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
105.	Middlesboro (Z)	(a) R.G. 2	13.67	-	35.90	-	NA	(f)
		(a) R.G. 2	13.67	-	35.90	-	NA	(f)

A3. BASIC LOCAL EXCHANGE SERVICE

A3.7 Monthly Exchange Rates (Cont'd)

A3.7.1 Flat Rate Service (Cont'd)

C. Exchange (Cont'd)

106. Millersburg

		Residence		Business		USOC	(f)
		1-Pty.	2-Pty.	1-Pty.	2-Pty.		
	(a) R.G. 1	\$12.77	\$-	\$35.00	\$-	NA	(f)
107. Milton	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
108. Mooresville	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
109. Morganfield	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
110. LRA Waverly	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
111. Morgantown	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
112. Mortons Gap	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
113. Mt. Eden	(a) R.G. 2	13.67	-	35.90	-	NA	(f)
114. Mt. Sterling (Z)	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
115. Murray	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
116. Nebo	(a) R.G. 2	13.67	-	35.90	-	NA	(f)
117. Neon	(a) R.G. 2	13.67	-	35.90	-	NA	(f)
118. New Haven	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
119. New Liberty	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
120. North Middleton	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
121. Nortonville	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
122. LRA White Plains	(a) R.G. 2	13.67	-	35.90	-	NA	(f)
	(a) R.G. 2	13.67	-	35.90	-	NA	(f)

A3. BASIC LOCAL EXCHANGE SERVICE

A3.7 Monthly Exchange Rates (Cont'd)

A3.7.1 Flat Rate Service (Cont'd)

C. Exchange (Cont'd)

123. Oak Grove

		Residence		Business		USOC	
		1-Pty.	2-Pty.	1-Pty.	2-Pty.		
	(a) R.G. 4	\$15.05	\$-	\$35.90	\$-	NA	(f)
124.	Owensboro						
	(a) R.G. 3	14.37	-	35.90	-	NA	(f)
125.	Owenton						
	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
126.	Paducah (Z)						
	(a) R.G. 3	14.37	-	35.90	-	NA	(f)
127.	Paintsville						
	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
128.	Panther						
	(a) R.G. 3	14.37	-	35.90	-	NA	(f)
129.	Paris						
	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
130.	LRA Clintonville						
	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
131.	LRA Shawhan						
	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
132.	Pembroke						
	(a) R.G. 3	14.37	-	35.90	-	NA	(f)
133.	Perryville						
	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
134.	Pikeville						
	(a) R.G. 3	14.37	-	35.90	-	NA	(f)
135.	LRA Meta (2) (Z)						
	(a) R.G.3	14.37	-	35.90	-	NA	(f)
136.	Pineville						
	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
137.	Pleasant Ridge						
	(a) R.G. 3	14.37	-	35.90	-	NA	(f)
138.	Port Royal						
	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
139.	Prestonsburg						
	(a) R.G. 2	13.67	-	35.90	-	NA	(f)

A3. BASIC LOCAL EXCHANGE SERVICE

A3.7 Monthly Exchange Rates (Cont'd)

A3.7.1 Flat Rate Service (Cont'd)

C. Exchange (Cont'd)

140. Princeton (Z)

		Residence		Business		USOC	
		1-Pty.	2-Pty.	1-Pty.	2-Pty.		
	(a) R.G. 1	\$12.77	\$-	\$35.00	\$-	NA	(I)
141. Providence	(a) R.G. 1	12.77	-	35.00	-	NA	(I)
142. Richmond	(a) R.G. 3	14.37	-	35.90	-	NA	(I)
143. Robards	(a) R.G. 2	13.67	-	35.90	-	NA	(I)
144. Rose Terrace (Z)	(a) R.G. 3	14.37	-	35.90	-	NA	(I)
145. Russellville	(a) R.G. 1	12.77	-	35.00	-	NA	(I)
146. LRA Olmstead	(a) R.G. 1	12.77	-	35.00	-	NA	(I)
147. Sacramento	(a) R.G. 1	12.77	-	35.00	-	NA	(I)
148. Sadieville	(a) See A3.2.1.B	-	-	-	-	NA	
149. St. Charles	(a) R.G. 2	13.67	-	35.90	-	NA	(I)
150. Salvisa	(a) R.G. 1	12.77	-	35.00	-	NA	(I)
151. Sebree	(a) R.G. 1	12.77	-	35.00	-	NA	(I)
152. Sharon Grove	(a) R.G. 1	12.77	-	35.00	-	NA	(I)
153. Shelbyville	(a) R.G. 1	12.77	-	35.00	-	NA	(I)
154. Simpsonville	(a) R.G. 1	12.77	-	35.00	-	NA	(I)
155. Slaughters	(a) R.G. 1	12.77	-	35.00	-	NA	(I)
156. Sorgho	(a) R.G. 3	14.37	-	35.90	-	NA	(I)

Note 1: Exception Rate.

A3. BASIC LOCAL EXCHANGE SERVICE

A3.7 Monthly Exchange Rates (Cont'd)

A3.7.1 Flat Rate Service (Cont'd)

C. Exchange (Cont'd)

157. S. Williamson (Z)

		Residence		Business		USOC	
		1-Pty.	2-Pty.	1-Pty.	2-Pty.		
157. S. Williamson (Z)	(a) R.G. 2	\$13.67	\$-	\$35.90	\$-	NA	(I)
158. Springfield	(a) R.G. 1	12.77	-	35.00	-	NA	(I)
159. Stamping Ground ¹	(a) See A3.2.1.B	-	-	-	-	NA	
160. Stanford	(a) R.G. 1	12.77	-	35.00	-	NA	(I)
161. Stanley	(a) R.G. 3	14.37	-	35.90	-	NA	(I)
162. Stanton	(a) R.G. 1	12.77	-	35.00	-	NA	(I)
163. Stone	(a) R.G. 1	12.77	-	35.00	-	NA	(I)
164. Sturgis	(a) R.G. 1	12.77	-	35.00	-	NA	(I)
165. Sulphur	(a) R.G. 1	12.77	-	35.00	-	NA	(I)
166. Symsonia (Z)	(a) R.G. 3	14.37	-	35.90	-	NA	(I)
167. Taylorsville	(a) R.G. 1	12.77	-	35.00	-	NA	(I)
168. Trenton	(a) R.G. 1	12.77	-	35.00	-	NA	(I)
169. Utica	(a) R.G. 3	14.37	-	35.90	-	NA	(I)
170. Virgie	(a) R.G. 2	13.67	-	35.90	-	NA	(I)
171. Waco	(a) R.G. 3	14.37	-	35.90	-	NA	(I)

Note 1: Exception Rate.

A3. BASIC LOCAL EXCHANGE SERVICE

A3.7 Monthly Exchange Rates (Cont'd)

A3.7.1 Flat Rate Service (Cont'd)

C. Exchange (Cont'd)

172. Waddy

		Residence		Business		USOC	
		1-Pty.	2-Pty.	1-Pty.	2-Pty.		
	(a) R.G. 1	\$12.77	\$-	\$35.00	\$-	NA	(f)
173. Wallins Creek	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
174. Warfield (Z)	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
175. Water Valley	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
176. Wayland	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
177. W. Louisville	(a) R.G. 2	13.67	-	35.90	-	NA	(f)
178. West Point (1)	(a) R.G. 3	14.37	-	35.90	-	NA	(f)
179. Whitesburg	(a) R.G. 5	18.40	-	35.25	-	NA	(f)
180. Whitesville	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
181. Williamsburg	(a) R.G. 3	14.37	-	35.90	-	NA	(f)
182. Willisburg	(a) R.G. 2	13.67	-	35.90	-	NA	(f)
183. Winchester	(a) R.G. 1	12.77	-	35.00	-	NA	(f)
184. LRA Pilot View	(a) R.G. 2	13.67	-	35.90	-	NA	(f)
185. Woodburn (Z)	(a) R.G. 2	13.67	-	35.90	-	NA	(f)
	(a) R.G. 3	14.37	-	35.90	-	NA	(f)

A3. BASIC LOCAL EXCHANGE SERVICE

A3.7 Monthly Exchange Rates (Cont'd)

A3.7.2 Message Rate Service

Discontinued offering. Rates shown applicable only to service in effect on February 1, 1969, and thereafter at the same address for the same subscriber.

In locations where Measured Rate Individual Line Service is available, it will replace the current Individual Line Message Rate Service. Existing Individual Line Message rate subscribers will have the choice of converting to either Flat or Measured Rate Service.

A. Business Individual Line Message Rate Service is offered only in the exchanges shown herein. The rates specified, with OBRA zone charges when applicable to service furnished outside the BRA of an exchange, entitle subscribers to the number of messages specified to all stations in the Limited Local Calling Area, i.e., all stations bearing the designation of the serving exchange and Limited Local Calling Area exchanges as shown in A3.6 preceding, Local Calling Areas, of this Tariff. Additional local calling area messages placed to the Limited Local Calling Area over the line during a month are charged for at the rates specified following based on mechanized records kept of all calls originated on the line. Time of day discounts do not apply to calls within the Limited Local Calling Area. When a customer subscribes to more than one message rate line:

1. if the lines are nonconsecutive each line is considered separately in determining additional messages, or
2. if the lines are consecutive the messages on all lines and the combined message allowance is used in determining billable additional messages.
 - a. Louisville Exchange
 - (1) Monthly Message Allowance, each line - 50

	Monthly	
	Rate	USOC
(a) Business Individual Line, each line	\$31.04	1MB
	Charge	USOC
(b) Additional local message charge, each message	\$.10	NA

A3.7.3 Reserved For Future Use

A3.7.4 Measured Rate Service

(See A3.1.E.)

A. Individual Line Measured Rate Service is available only in certain central offices of the exchanges shown herein. Measured Rate Service requires special equipment and arrangements and is furnished only when such equipment and arrangements are available. The rates specified, with zone charges applicable to those services furnished outside the BRA of an exchange, entitle subscribers to complete local calls on a usage charge basis to stations in the Limited Local Calling Area, i.e., all stations bearing the designation of central offices of the serving exchange and Limited Local Calling Area exchanges as shown in A3.6 preceding, Local Calling Areas, of this Tariff. Charges for local usage are specified in A3.2.3.D. preceding and are based on mechanized records kept of all calls originated on the line.

1. Individual Line Service
 - a. Exchange
 - (1) Bardstown

	Residence			
	Low Use	Standard	Business	USOC
(a) R.G. 1	\$6.91	\$9.84	\$26.17	NA (1)

A3. BASIC LOCAL EXCHANGE SERVICE

A3.7 Monthly Exchange Rates (Cont'd)

A3.7.4 Measured Rate Service (Cont'd)

A. (Cont'd)

1. Individual Line Service (Cont'd)

a. Exchange (Cont'd)

(2) Corydon

		Residence				
		Low Use	Standard	Business	USOC	
(a)	R.G. 2	\$7.36	\$10.52	\$28.52	NA	(1)
(3)	Dawson Springs					
(a)	R.G. 2	7.36	10.52	28.52	NA	(1)
(4)	Drakesboro					
(a)	R.G. 1	6.91	9.84	26.17	NA	(1)
(5)	Earlington					
(a)	R.G. 2	7.36	10.52	28.52	NA	(1)
(6)	Feds creek					
(a)	R.G. 2	7.36	10.52	28.52	NA	(1)
(7)	Ford					
(a)	R.G. 3	7.70	11.04	30.52	NA	(1)
(8)	Frankfort					
(a)	R.G. 3	7.70	11.04	30.52	NA	(1)
(9)	Hanson					
(a)	R.G. 2	7.36	10.52	28.52	NA	(1)
(10)	Hardinsburg					
(a)	R.G. 1	6.91	9.84	26.17	NA	(1)
(11)	Harlan					
(a)	R.G. 1	6.91	9.84	26.17	NA	(1)
(12)	Hebbardsville					
(a)	R.G. 2	7.36	10.52	28.52	NA	(1)
(13)	Henderson					
(a)	R.G. 2	7.36	10.52	28.52	NA	(1)
(14)	Hopkinsville					
(a)	R.G. 3	7.70	11.04	30.52	NA	(1)

A3. BASIC LOCAL EXCHANGE SERVICE

A3.7 Monthly Exchange Rates (Cont'd)

A3.7.4 Measured Rate Service (Cont'd)

A. (Cont'd)

1. Individual Line Service (Cont'd)

a. Exchange (Cont'd)

(15) LaGrange

		Residence		Business	USOC	
		Low Use	Standard			
(a)	R.G. 5	\$9.73	\$14.08	\$38.17	NA	(1)
(16)	Louisa					
(a)	R.G. 1	6.91	9.84	26.17	NA	(1)
(17)	Louisville					
(a)	R.G. 5	9.73	14.08	38.17	NA	(1)
(18)	Maceo					
(a)	R.G. 3	7.70	11.04	30.52	NA	(1)
(19)	Madisonville					
(a)	R.G. 2	7.36	10.52	28.52	NA	(1)
(20)	McCarr					
(a)	R.G. 1	6.91	9.84	26.17	NA	(1)
(21)	Mortons Gap					
(a)	R.G. 2	7.36	10.52	28.52	NA	(1)
(22)	Nebo					
(a)	R.G. 2	7.36	10.52	28.52	NA	(1)
(23)	Oak Grove					
(a)	R.G. 4	8.05	11.56	32.46	NA	(1)
(24)	Owensboro					
(a)	R.G. 3	7.70	11.04	30.52	NA	(1)
(25)	Paducah					
(a)	R.G. 3	7.70	11.04	30.52	NA	(1)
(26)	Paintsville					
(a)	R.G. 1	6.91	9.84	26.17	NA	(1)
(27)	Pikeville					
(a)	R.G. 3	7.70	11.04	30.52	NA	(1)
(28)	Prestonsburg					
(a)	R.G. 2	7.36	10.52	28.52	NA	(1)

Note 1:

To be implemented on the dates that South Central Bell assumes responsibility for these exchanges, and will only be available to Subscribers with measured or message rate service existing at that time.

A3. BASIC LOCAL EXCHANGE SERVICE

A3.7 Monthly Exchange Rates (Cont'd)

A3.7.4 Measured Rate Service (Cont'd)

A. (Cont'd)

1. Individual Line Service (Cont'd)

a. Exchange (Cont'd)

(29) Princeton

	Residence			USOC	
	Low Use	Standard	Business		
(a) R.G. 1	<i>\$6.91</i>	<i>\$9.84</i>	<i>\$26.17</i>	NA	(1)
(30) Rose Terrace					
(a) R.G. 3	<i>7.70</i>	<i>11.04</i>	<i>30.52</i>	NA	(1)
(31) St. Charles					
(a) R.G. 2	<i>7.36</i>	<i>10.52</i>	<i>28.52</i>	NA	(1)
(32) Sorgho					
(a) R.G. 3	<i>7.70</i>	<i>11.04</i>	<i>30.52</i>	NA	(1)
(33) South Williamson					
(a) R.G. 2	<i>7.36</i>	<i>10.52</i>	<i>28.52</i>	NA	(1)
(34) Stanley					
(a) R.G. 3	<i>7.70</i>	<i>11.04</i>	<i>30.52</i>	NA	(1)
(35) Wallins Creek					
(a) R.G. 1	<i>6.91</i>	<i>9.84</i>	<i>26.17</i>	NA	(1)
(36) Warfield					
(a) R.G. 1	<i>6.91</i>	<i>9.84</i>	<i>26.17</i>	NA	(1)
(37) West Louisville					
(a) R.G. 3	<i>7.70</i>	<i>11.04</i>	<i>30.52</i>	NA	(1)
(38) West Point					
(a) R.G. 5	<i>9.73</i>	<i>14.08</i>	<i>38.17</i>	NA	(1)
(39) Winchester					
(a) R.G. 2	<i>7.36</i>	<i>10.52</i>	<i>28.52</i>	NA	(1)

B. The rates stated preceding include the following monthly usage allowance for dialed sent paid local calls:

1. Usage allowance

	Usage Allowance	USOC
(a) Low-Use Residence Measured Service	\$-	NA
(b) Standard Residence Measured Service	5.00	NA
(c) Business Measured Service	7.50	NA

A3. BASIC LOCAL EXCHANGE SERVICE

A3.12 Network Access Register Usage Package (Cont'd)

A3.12.2 Regulations And Application Of Rates

- A. If there is more than one Inward and/or Both Way NARs in a group, grouping service is required on all Inward and Both Way NARs in the group. The charges listed in A3.19 following for the Flat Rate or Area Calling Service Individual Business Line Grouping Service will apply.
- B. The Flat Rate NAR Usage Package includes an unlimited number of dialed sent paid local calls within the Limited Local Calling Area.
- C. All monthly rates and charges shown following for NAR Usage Packages apply on a statewide basis.
- D. The conditions and rates specified in other tariffs for services which may be associated with these services are in addition to those specified herein.
- E. Separate Area Calling Service Usage Packages are provided to Local Usage Detail (LUD) subscribers. LUD is described in A3.22.

A3.12.3 Rates

A. Per Flat Rate NAR Usage Package, Each

1. ESSX^{*} service¹

	Monthly Rate		USOC	(C)
	Rate Group 1 - 4	Rate Group 5		
(a) Inward only	\$21.50	\$21.50	EQB	(T)
(b) Outward only	21.50	21.50	EQC	(T)
(c) Both Way	21.50	21.50	EQA	(T)

2. Other Service²

(a) Inward only	21.50	21.50	NQP	(T)
(b) Outward	24.50	23.85	NQT	(I)
(c) Both Way	24.50	23.85	NQM	(I)
(d) DID Combination ³	46.00	45.35	ND3	(I)

3. MultiServ^{*} PLUS service or BellSouth[†] Centrex service NAR Package

Rates shown are applicable to all MultiServ^{*} PLUS service or BellSouth[†] Centrex service applications.

(1) Per Package¹

(a) Both Way, Flat Rate Service	21.50	21.50	M9QCX	(T)
(b) One-way Inward, Flat Rate Service	21.50	21.50	M9Q1X	(T)
(c) One-way Outward, Flat Rate Service	21.50	21.50	M9QOX	(T)

Note 1: Includes ESSX^{*} service, Digital ESSX^{*} service, MultiServ^{*} PLUS service, and BellSouth[†] Centrex service provided on a LightGate^{*} service, MegaLink^{*} channel service or FlexServ^{*} service.

Note 2: Applicable for all other exchange access provided on LightGate^{*} service, MegaLink^{*} channel service, FlexServ^{*} service or MegaLink^{*} ISDN service.

Note 3: Available where facilities permit. Appropriate charges for DID service and Grouping service apply.

^{*} Registered Service Mark of BellSouth Intellectual Property Corporation

[†] BellSouth is a registered trademark of BellSouth Intellectual Property Corporation

A3. BASIC LOCAL EXCHANGE SERVICE

A3.20 Trunk Lines (Cont'd)

A3.20.2 Rates And Charges

- A. Flat rate service is provided for business, hotel, nursing home, rest home and hospital subscribers as described in A3.20.1.C. (T)
 preceding.

1. Business Trunk - Flat (C)

		Monthly Rate Rate Group				
		1	2-4	5	USOC	(C)
(a)	Combination	\$35.00	\$35.90	\$35.25	TFC	(I)
(b)	Inward Only	32.00	32.90	32.90	TFN	(T)
(c)	Outward Only	35.00	35.90	35.25	TFU	(I)
(d)	Both Way ¹	35.00	35.90	35.25	TFB	(I)
(e)	DID (Direct In-Dial)	32.00	32.90	32.90	TDD1X	(T)
(f)	DID Combination	67.00	68.80	68.15	TDDCX	(I)(T)

- B. Measured rate service is provided for business, hotel, nursing home, rest home and hospital subscribers where facilities are available. In addition, usage charges and allowances apply as stated in A3.2.3. (See A3.1. for restrictions on measured service.) (T)

1. Business Trunk - Measured (C)

		Monthly Rate Rate Group						
		1	2	3	4	5	USOC	(C)
(a)	Combination	\$26.17	\$28.52	\$30.52	\$32.46	\$38.17	TKG	(I)
(b)	Inward Only	23.17	25.52	27.52	29.46	35.82	BMU	(T)
(c)	Outward Only	26.17	28.52	30.52	32.46	38.17	TKV	(I)

- C. Message rate service is provided exclusively for use by hotel, nursing home, rest home and hospital subscribers and their guests or patients with an allowance of 50 local messages on the first trunk. Additional trunks are provided with no call allowance.

1. Exchanges in Louisville Local Calling Area

		Monthly Rate	USOC	
(a)	Business Trunk-Message-Combination-First	\$33.39	TMC	(I)
(b)	Business Trunk-Message-Outward Only-First	33.39	TMU	(I)
(c)	Business Trunk-Message-Both Way-First ¹	33.39	TMB	(I)
(d)	Business Trunk-Message-Combination-Additional	28.39	TM5	(I)
(e)	Business Trunk-Message-Outward Only-Additional	28.39	TM3	(I)
(f)	Business Trunk-Message-Both Way-Additional ¹	28.39	TM2	(I)

Note 1: Both way trunks are no longer available for new installations. Combination trunks will be provided to customers requesting both way trunks.

A3. BASIC LOCAL EXCHANGE SERVICE

A3.20 Trunk Lines (Cont'd)

A3.20.2 Rates And Charges (Cont'd)

C. (Cont'd)

2. All Other Exchanges

	Monthly Rate	USOC	
(a) Business Trunk-Message-Combination-First	\$23.77	TMC	(1)
(b) Business Trunk-Message-Outward Only-First	23.77	TMU	(1)
(c) Business Trunk-Message-Both Way-First ¹	23.77	TMB	(1)
(d) Business Trunk-Message-Combination-Additional	18.77	TM5	(1)
(e) Business Trunk-Message-Outward Only-Additional	18.77	TM3	(1)
(f) Business Trunk-Message-Both Way-Additional ¹	18.77	TM2	(1)
3. Messages in excess of allowance within the Limited LCA			
(a) Each	.10	NA	

D. Area Calling Service is provided for business, hotel and hospital subscribers where facilities are available at the rates specified following. In addition, usage charges apply as stated in A3.2.8. Separate Area Calling Service rates are provided to Local Usage Detail (LUD) subscribers. LUD is described in A3.22. The charges for the Premium Option are in addition to the Premium Calling Usage Package in A3.2.8.F. Premium Calling Subscribers may not subscribe to LUD.

1. Business Trunks - Area Calling Service (with LUD)

	Monthly Rate		
	Rate Group 1 - 4	Rate Group 5	
(a) Combination	\$35.70	\$38.35	T2TCD (1)
(b) Inward Only	29.70	33.00	T2T1D (1)
(c) Outward Only	35.70	38.35	T2TOD (1)
2. Business Trunk - Area Calling Service (without LUD)			
(a) Combination	32.70	35.35	T2TCX (1)
(b) Inward Only	29.70	33.00	T2T1X (1)
(c) Outward Only	32.70	35.35	T2TOX (1)
3. Business Trunks - Premium Calling			
(a) Combination	32.70	35.35	T2TCP (1)
(b) Inward Only	29.70	33.00	T2T1P (1)
(c) Outward Only	32.70	35.35	T2TOP (1)

Note 1: Both way trunks are no longer available for new installations. Combination trunks will be provided to customers requesting both way trunks.

A3. BASIC LOCAL EXCHANGE SERVICE

A3.20 Trunk Lines (Cont'd)

A3.20.2 Rates And Charges (Cont'd)

D. (Cont'd)

4. Hotel/Hospital Trunks - Area Calling Service (with LUD)

		Monthly Rate			
		Rate Group	Rate Group		
		1 - 4	5		
(a)	Combination	\$35.70	\$38.35	T2KCX	(1)
(b)	Inward Only	29.70	33.00	T2K1X	
(c)	Outward Only	35.70	38.35	T2K0X	(1)
5. Hotel/Hospital Trunk - Area Calling Service (without LUD)					
(a)	Combination	32.70	35.35	T2KC1	(1)
(b)	Inward Only	29.70	33.00	T2K11	
(c)	Outward Only	32.70	35.35	T2K01	(1)
6. Hotel/Hospital Trunk - Premium Calling					
(a)	Combination	32.70	35.35	T2KCH	(1)
(b)	Inward Only	29.70	33.00	T2K1H	
(c)	Outward Only	32.70	35.35	T2K0H	(1)
7. Guest/Patient Trunk - Area Calling Service (With LUD)					
(a)	Combination	35.70	38.35	T2KCD	(1)
(b)	Inward Only	29.70	33.00	T2K1D	
(c)	Outward Only	35.70	38.35	T2K0D	(1)
8. Guest/Patient Trunk - Area Calling Service (without LUD)					
(a)	Combination	32.70	35.35	T2KCU	(1)
(b)	Inward Only	29.70	33.00	T2K1U	
(c)	Outward Only	32.70	35.35	T2K0U	(1)
9. Guest/Patient Trunk - Premium Calling					
(a)	Combination	32.70	35.35	T2KCP	(1)
(b)	Inward Only	29.70	33.00	T2K1P	
(c)	Outward Only	32.70	35.35	T2K0P	(1)

A3.20.3 Trunk Enhancements

- A. In addition to the charges stated in A3.20.2. preceding, optional premium service may be furnished to improve transmission specifications on a trunk which will provide a maximum 1004 Hz loss of 5.0 dB. Basic services provide a maximum 1004 Hz loss of 10.0 dB.
- B. Service order charges and central office line connection charges will apply as specified in Section A4. of this Tariff. These charges will be waived for a 90 day period following the effective date of this Tariff for those customers who choose the basic service and then choose to convert to the optional premium service.
- C. Premium service is furnished at the following monthly rates.
 - 1. Premium Service

	Monthly Rate	USOC
(a) Two-Wire	\$-	PTK2X

A3. BASIC LOCAL EXCHANGE SERVICE

A3.26 Network Access Service (Cont'd)

A3.26.1 General (Cont'd)

- G. When grouping service is appropriate on Network Access service lines, trunks, or NARs, the grouping charge for a Business Measured line or trunk or Area Calling Service line, trunk or NAR applies as described in A3.19. If there is more than one Inward and/or Both way NAR in a group, grouping service is required on all Inward and Both way NARs in the group.
- H. All rules and regulations that appear in other sections of this Tariff apply unless otherwise stated herein.

A3.26.2 Rates And Charges

A. Network Access Service - LightGate[®] Service - Local Measured Service¹

1. Bulk Usage Measured Rate Service, per line or trunk

	Monthly Rate			
	Rate Group 1 - 4	Rate Group 5		
(a) Inward only	\$25.00	\$25.00	USOC	(C)
(b) Outward only	28.00	27.35	NNJ1X	(T)
(c) Both way	28.00	27.35	NNJOX	(I)
			NNJCX	(I)

2. ESSX[®] service NAR Bulk Usage Measured Rate Service

(a) Inward only	25.00	25.00	NNP1X	(T)
(b) Outward only	25.00	25.00	NNPOX	(T)
(c) Both way	25.00	25.00	NNPCX	(T)

B. Network Access Service - MegaLink[®] channel service - Local Measured Service¹

1. Bulk Usage Measured Rate Service, per line or trunk

(a) Inward only	25.00	25.00	NNW1X	(T)
(b) Outward only	28.00	27.35	NNWOX	(I)
(c) Both way	28.00	27.35	NNWCX	(I)

2. ESSX[®] service NAR Bulk Usage Measured Rate Service

(a) Inward only	25.00	25.00	NNH1X	(T)
(b) Outward only	25.00	25.00	NNHOX	(T)
(c) Both way	25.00	25.00	NNHCX	(T)

C. Network Access Service - Local Measured Service¹

Applicable to individual lines or trunks when other exchange access service is provided via Bulk Usage Measured Rate Service (Includes access line and allowance.)

1. Bulk Usage Measured Rate Service, per line or trunk

(a) Inward only	49.28	49.28	NN61X	(T)
(b) Outward only	52.28	51.63	NN6OX	(I)
(c) Both way	52.28	51.63	NN6CX	(I)

D. Network Access Service - MegaLink[®] channel service - Area Calling Service

1. Bulk Usage Measured Rate Service, per line or trunk

(a) Inward only	25.00	25.00	NKT1X	(T)
(b) Outward only	28.00	27.35	NKTOX	(I)
(c) Both way	28.00	27.35	NKT2X	(I)(M)

Note 1: Where Area Calling Service is available, measured rate service is not offered for new installation or transfer of service to new locations.

A3. BASIC LOCAL EXCHANGE SERVICE

A3.26 Network Access Service (Cont'd)

A3.26.2 Rates And Charges (Cont'd)

D. Network Access Service - MegaLink[®] channel service - Area Calling Service (Cont'd)

2. Bulk Usage Measured Rate Service, per line or trunk - Resold Services

		Monthly Rate			
		Rate Group	Rate Group		
		1 - 4	5	USOC	(C)
(a)	Inward only	\$25.00	\$25.00	NKT1U	(T)
(b)	Outward only	28.00	27.35	NKTOU	(I)
(c)	Both way	28.00	27.35	NKT2U	(I)
3.	ESSX [®] service NAR Bulk Usage Measured Rate Service				
(a)	Inward only	25.00	25.00	NQN1X	(T)
(b)	Outward only	25.00	25.00	NQNOX	(T)
(c)	Both way	25.00	25.00	NQN2X	(T)
4.	ESSX [®] service NAR Bulk Usage Measured Rate Service - Resold Services				
(a)	Inward only	25.00	25.00	NQN1U	(T)
(b)	Outward only	25.00	25.00	NQNOU	(T)
(c)	Both way	25.00	25.00	NQN2U	(T)

E. Network Access Service - LightGate[®] service - Area Calling Service

1. Bulk Usage Measured Rate Service, per line or trunk

(a)	Inward only	25.00	25.00	NQU1X	(T)
(b)	Outward only	28.00	27.35	NQUOX	(I)
(c)	Both way	28.00	27.35	NQU2X	(I)

2. Bulk Usage Measured Rate Service, per line or trunk - Resold Services

(a)	Inward only	25.00	25.00	NQU1U	(T)
(b)	Outward only	28.00	27.35	NQUOU	(I)
(c)	Both way	28.00	27.35	NQU2U	(I)

3. ESSX[®] service NAR Bulk Usage Measured Rate Service

(a)	Inward only	25.00	25.00	NQL1K	(T)
(b)	Outward only	25.00	25.00	NQLOK	(T)
(c)	Both way	25.00	25.00	NQL2K	(T)

4. ESSX[®] service NAR Bulk Usage Measured Rate Service - Resold Services

(a)	Inward only	25.00	25.00	NQL1U	(T)
(b)	Outward only	25.00	25.00	NQLOU	(T)
(c)	Both way	25.00	25.00	NQL2U	(T)

F. Network Access Service - FlexServ[®] service - Area Calling Service

1. Bulk Usage Measured Rate Service, per line or trunk

(a)	Inward only	25.00	25.00	NKT1X	(T)
(b)	Outward only	28.00	27.35	NKTOX	(I)
(c)	Both way	28.00	27.35	NKT2X	(I)

2. Bulk Usage Measured Rate Service, per line or trunk - Resold Services

(a)	Inward only	25.00	25.00	NKT1U	(T)
(b)	Outward only	28.00	27.35	NKTOU	(I)
(c)	Both way	28.00	27.35	NKT2U	(I)

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 KENTUCKY
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A3. BASIC LOCAL EXCHANGE SERVICE

A3.26 Network Access Service (Cont'd)

A3.26.2 Rates And Charges (Cont'd)

F. Network Access Service - FlexServ[®] service - Area Calling Service(Cont'd)

3. ESSX[®] service NAR Bulk Usage Measured Rate Service

		Monthly Rate			
		Rate Group	Rate Group		
		1 - 4	5	USOC	(C)
(a)	Inward only	\$25.00	\$25.00	NQN1X	(T)
(b)	Outward only	25.00	25.00	NQN0X	(T)
(c)	Both way	25.00	25.00	NQN2X	(T)
4. ESSX [®] service NAR Bulk Usage Measured Rate Service - Resold Services					
(a)	Inward only	25.00	25.00	NQN1U	(T)
(b)	Outward only	25.00	25.00	NQN0U	(T)
(c)	Both way	25.00	25.00	NQN2U	(T)

A3. BASIC LOCAL EXCHANGE SERVICE

A3.26 Network Access Service (Cont'd)

A3.26.2 Rates And Charges (Cont'd)

G. Network Access Service - MegaLink[®] ISDN¹ service - Area Calling Service

1. Bulk Usage Measured Rate Service, per line or trunk

		Monthly Rate			
		Rate Group	Rate Group	USOC	
		1 - 4	5		
(a)	Inward only	\$25.00	\$25.00	NKT1X	(T)
(b)	Outward only	28.00	27.35	NKTOX	(I)
(c)	Both way	28.00	27.35	NKT2X	(I)
2. Bulk Usage Measured Rate Service, per line or trunk - Resold Services					
(a)	Inward only	25.00	25.00	NKT1U	(T)
(b)	Outward only	28.00	27.35	NKTOU	(I)
(c)	Both way	28.00	27.35	NKT2U	(I)

H. Network Access Service - Area Calling Service

Applicable to individual lines or trunks when other exchange access service is provided via Bulk Usage Measured Rate service (Includes access line and allowance.)

1. Bulk Usage Measured Rate Service, per line or trunk

		Monthly Rate	USOC
(a)	Inward only	\$49.28	KN91K
(b)	Outward only	49.28	KN90K
(c)	Both way	49.28	KN92K
2. Bulk Usage Measured Rate Service, per line or trunk - Resold Services			
(a)	Inward only	49.28	KN91P
(b)	Outward only	49.28	KN90P
(c)	Both way	49.28	KN92P

A3.27 CourtesyComplete[®] Service (Obsoleted, See Section A103)

Note 1: MegaLink[®] ISDN service obsoleted 10/30/96. (See Section B107.)

A7. COIN TELEPHONE SERVICE

A7.4 Access Line Service For Payphone Service Provider Telephones (Cont'd)

A7.4.3 Reserved For Future Use

A7.4.4 Reserved For Future Use

A7.4.5 Rates And Charges

A. Rates and Charges Applied by the Company

1. Flat Rate Service Monthly Charges Per Access Line

a. Access line basic rate

(1) Per Access Line

	Monthly Rate	USOC
(a) Group 1 (0-13,800)	\$28.83	NA
(b) Group 2 (13,801 - 25,100)	28.83	NA
(c) Group 3 (25,101 - 45,500)	28.83	NA
(d) Group 4 (45,501 - 200,800)	28.83	NA
(e) Group 5 (200,801 - 1,191,800)	28.83	NA

(T)

b. The following access line feature charge is applicable in addition to the monthly charges in A7.4.5.A.1.a. preceding.

(1) Public telephone access line¹

(a) Unrestricted, outward, each ^{2,3}	\$.90	1ZY	(T)(R)
(b) Unrestricted, two way, each ^{2,3}	.90	1Z2	(T)(R)
(c) Restricted, outward, each ^{2,3,4}	.90	1Z3	(T)(R)
(d) Restricted, two way, each ^{2,3,4}	.90	1Z5	(T)(R)
(e) Restricted, outward, each ^{2,3,5}	.90	13D	(T)(R)
(f) Restricted, two way, each ^{2,3,5}	.90	13E	(T)(R)
(g) Restricted, two way, each ²	.90	13R	(T)(R)

Note 1: For the Access Line Feature options which do not offer central office blocking of 900 and 976 calls, this feature is available at the request of the subscriber as provided under Customized Code Restriction (CCR) Option #4 defined in A13.20 of this Tariff for business line customers.

Note 2: Provides operator screening.

Note 3: Provides central office blocking of 011+ calls direct distance dialed to numbers outside the North American Numbering Plan.

Note 4: 1+900, 7 or 10 digit local, 1+DDD and 976 are blocked from completion.

Note 5: 1+900, 1+DDD, and 976 are blocked from completion.

A13. MISCELLANEOUS SERVICE ARRANGEMENTS

A13.1 Reserved For Future Use

A13.2 Touch-Tone Calling Service

A13.2.1 General

- A. Touch-Tone Calling Service provides for the origination of telephone calls by means of instruments equipped for tone-type address signaling.
- B. The service is furnished for use with individual and two-party central office lines. It may be furnished to either one or both subscribers on a two-party line.
- C. Touch-Tone Calling Service, for individual and two-party line service, Centrex Type Services and PBX Systems, requires special central office equipment and will be provided only from those central offices where the central office has been equipped for Touch-Tone service.

A13.2.2 Application Of Charges

- A. The Secondary Service Charge in Section A4. is applicable for the addition of Touch-Tone service subsequent to the establishment of the subscribers' service.
- B. The Secondary Service Charge in Section A4. is not applicable for changes from Touch-Tone to rotary dial service.

A13.2.3 Rates And Charges

Touch-Tone Calling Service rates and charges shall apply where the customer has the capability to originate calls by means of instruments equipped for tone-type address dialing.

The following monthly charges are in addition to any applicable rates and charges for the facilities and service furnished.

A. Individual And Two-Party Line Service

On two-party lines, rate is applicable per subscriber to Touch-Tone service.

- 1. Per line or PBX trunk

	Installation Charge	Monthly Rate	USOC	
(a) Residence	\$-	\$-	TTR	
(b) Business (RG 1-4 including exceptions) ¹	-	3.00	TTB	(C)
(c) Business (RG 5) ¹	-	2.35	TTB	(C)

B. ESSX-1 Systems

- 1. Per Network Access Register
 (Rates, charges and USOC's apply as for a PBX Central Office trunk of similar operation.)

(a) Each	-	-	NA	
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A13.3 Reserved For Future Use

A13.4 Reserved For Future Use

Note 1: Effective October 1, 2000, Business local exchange line and trunk rates, NAS and NAR rates, as specified in A3 of this Tariff, include the charge for Touch-Tone service. The rates for inward only trunks, ESSX NARs and NASs do not include the charge for Touch-Tone service. The Touch-Tone rate applies to Payphone Service Provider (PSP) lines only. (N)

A13. MISCELLANEOUS SERVICE ARRANGEMENTS

A13.28 Announcement Facilities (Cont'd)

A13.28.2 Rules And Regulations (Cont'd)

A. (Cont'd)

7. Facilities for announcement services will be furnished where all the necessary exchange facilities, as determined by the Company, are available or can be made available within a reasonable time, at reasonable expense.

If it is not economically feasible for the Company to provide facilities for an announcement service, the customer may choose from the following options:

- a. The customer may specify that his service date be delayed until the next central office addition is completed. At that time facilities will be provided at the standard rates specified in this and other tariff sections.
- b. The customer may request that facilities be provided before the next central office addition. Charges based on incremental costs will be applicable for this option in addition to the standard rates specified in this and other tariff sections.

A13.28.3 Rates And Charges

A. Exchange facility, each

1. Grouping service rates also apply as appropriate.

(C)

		Monthly Rate					
		Rate Group	Rate Group	Rate Group	Rate Group	Rate Group	
(a)	Each	1 \$20.80	2 \$21.39	3 \$21.39	4 \$21.39	5 \$21.39	USOC 1NFSF

(C)

(C)

A13.29 Reserved For Future Use

A13.30 Reserved For Future Use

A13.31 Reserved For Future Use

A13.32 Reserved For Future Use

(T)

BELLSOUTH
TELECOMMUNICATIONS, INC.

• KENTUCKY

ISSUED: September 5, 2000

BY: E.C. Roberts, Jr., President - KY
Louisville, Kentucky

GENERAL SUBSCRIBER SERVICES TARIFF

PSC KY. TARIFF 2A
Eighth Revised Page 43.1
Cancels Seventh Revised Page 43.1
EFFECTIVE: October 1, 2000

A13. MISCELLANEOUS SERVICE ARRANGEMENTS

(7)

A13.33 Reserved For Future Use

BELLSOUTH
TELECOMMUNICATIONS, INC.
KENTUCKY
ISSUED: September 5, 2000
BY: E.C. Roberts, Jr., President - KY
Louisville, Kentucky

GENERAL SUBSCRIBER SERVICES TARIFF

PSC KY. TARIFF 2A
Sixth Revised Page 1
Cancels Fifth Revised Page 1
EFFECTIVE: October 1, 2000

A18. LONG DISTANCE MESSAGE TELECOMMUNICATIONS SERVICE

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Louisville, Kentucky

GENERAL SUBSCRIBER SERVICES TARIFF

PSC KY. TARIFF 2A
Fourth Revised Page 5
Cancels Third Revised Page 5
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A18. LONG DISTANCE MESSAGE TELECOMMUNICATIONS SERVICE

A18.3 Two-Point Service (Cont'd)

A18.3.4 Reserved For Future Use

A18.3.5 Reserved For Future Use

A18.3.6 Optional Calling Plans

Regular message toll charges do not apply to Optional Calling Plan calls as covered in Section A20. of this Tariff.

A18.3.7 (DELETED)

(D)

BELLSOUTH
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GENERAL SUBSCRIBER SERVICES TARIFF

PSC KY. TARIFF 2A
Fifth Revised Page 28
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BY: E.C. Roberts, Jr., President - KY
Louisville, Kentucky

A20. OPTIONAL CALLING PLANS

A20.4 Easy Calling Plans

A20.4.1 Plan No. 1

A. Description of Service

1. Plan No. 1 is an optional calling plan that is available to residence customers only, subject to the criteria in B. following. Plan No. 1 allows all direct dialed sent paid (non-operator assisted) intrastate calls that originate and terminate in the customer's home Calling Zone/LATA to be rated at \$.10 per minute rather than the rate schedule shown in A18.3.1.B.1.
2. This service is available only in exchanges served by BellSouth where facilities and billing capabilities exist.

B. Limitations of Subscription

Plan No. 1 is only available to residential customers that meet one of the following criteria.

1. Contacted by a BellSouth representative or Agent of BellSouth and offered the plan.
2. Averaged at least \$3.00 of intraLATA toll billing by BellSouth over the last three months.
3. Subscribe to Complete Choice® service. (T)

C. Application of Charges

1. The initial period for telephone connection between all points is thirty seconds. Additional periods are billed in one-tenth minute increments. (C)
2. Time-of-day discounts specified in A18.3.1.B.1 do not apply to Plan No. 1 calls.
3. Plan No. 1 rates do not apply to the usage associated with other optional calling plans, operator assisted calls, or customer dialed calling card calls.
4. Subscription to Plan No. 1 is on a per line basis.
5. Normal service charges specified in Section A4. of this Tariff do not apply for subscribing to this plan, or canceling subscription to this plan.
6. The new rate applies only to calls made after the service effective date for this plan.

D. Rates and Charges

1. Rates per increment of time

(a) per call	Milleage Band	Initial Thirty Seconds	Each Additional One-Tenth Min.	USOC
	All	\$.05	\$.01	OC910

A20. OPTIONAL CALLING PLANS

A20.5 BellSouth® 25¢ Call Plan

A20.5.1 Description of Service

- A. The 25¢ Call Plan is an optional calling plan that is available to residence customers only. The 25¢ Call Plan provides for message based pricing for 1+ direct distance dialed (DDD) intrastate intraLATA toll calls. Customers are charged \$.25 per call for each eligible intrastate intraLATA toll call. The mileage distance to the location the subscriber is calling and the length of time spent on the call are eliminated as pricing variables for this plan. A monthly recurring charge per line is also assessed.
- B. This service is available only in exchanges served by BellSouth where facilities and billing capabilities exist.

A20.5.2 Limitations of Subscription

- A. Subscribers to 25¢ Call Plan are restricted from purchasing either LATA-wide calling plans of Section A3. or other Section A20. optional calling plans on the same line.
- B. The 25¢ Call Plan customers must presubscribe to BellSouth as their intraLATA toll provider.
- C. Subscription to 25¢ Call Plan is on a per line basis.

A20.5.3 General

- A. The suspension rules of Section A2.3.16. for access lines are applicable to the 25¢ Call Plan service.
- B. Service charges as specified in Section A4. of this tariff apply for subscribing or canceling subscription to this plan.

A20.5.4 Application of Charges

- A. Subscribers to 25¢ Call Plan service are regularly billed monthly recurring charges in advance. The message charges are billed monthly in arrears.
- B. Time-of-day discounts specified in A18.3.1.B.1. do not apply to 25¢ Call Plan calls. (C)
- C. Long Duration Calls as defined in Section A1. will be billed an additional per call charge for each 24 hour period or fraction thereof, past the second midnight recorded.
- D. Intrastate intraLATA toll calls which are not eligible for this plan will be billed in accordance with A18.3.1.

A20.5.5 Rates and Charges

A. 25¢ Call Plan

1. Residence line

(a) Each

Monthly
Rate

\$4.95

USOC
P25

2. Message

(a) Each

Per Call
Rate

\$.25

NA

ISSUED: September 5, 2000
BY: E.C. Roberts, Jr., President - KY
Louisville, Kentucky

A103. OBSOLETE SERVICE OFFERINGS - BASIC LOCAL EXCHANGE SERVICE

A103.1 Reserved For Future Use

A103.2 Statewide Rate Schedules

(Obsoleted, 07-10-93, Type D, Tariff Reference A3.7) Two-Party Line Service will not be available for new installations, relocations, or transfers of service to new locations.

Effective 01-24-94, the Company will begin a program to upgrade two-party customers to individual line service. Customers will be notified prior to their service being changed. When upgraded, residential customers will be allowed to continue paying two-party zone charges until one of the following occurs: transfer of service to new location; additional line(s) added; or requested relocation of Company facilities.

A103.2.1 Flat Rate Schedule

A. The following schedule of monthly rates is applicable to Flat Rate Main Station Line Service:

1. Rate groups include total main station lines and PBX trunks.

	Residence		Business		USOC	
	1-Pty.	2-Pty.	1-Pty.	2-Pty.		
(a) Group 1 (0-13,800)	\$-	\$9.84	\$-	\$24.07	NA	(1)
(b) Group 2 (13,801 - 25,100)	-	10.52	-	26.22	NA	(1)
(c) Group 3 (25,101 - 45,500)	-	11.04	-	28.02	NA	(1)
(d) Group 4 (45,501 - 200,800)	-	11.56	-	29.86	NA	(1)
(e) Group 5 (200,801 - 1,191,800)	-	14.08	-	38.17	NA	(1)

B. In accordance with KPSC Docket No. 91-149, the following exchanges have an exception rate to the statewide group.

1. Exception from the schedule.

(a) Georgetown	-	11.68	-	30.18	NA	(1)
(b) Sadieville	-	11.68	-	-	NA	(1)
(c) Stamping Ground	-	11.68	-	30.18	NA	(1)

A103.2.2 Reserved for Future Use

A103.2.3 Reserved for Future Use

A103.2.4 Reserved for Future Use

A103.2.5 Reserved for Future Use

A103.2.6 Reserved for Future Use

A103.2.7 Reserved for Future Use

A103.2.8 Reserved for Future Use

A103.2.9 Reserved for Future Use

A103.2.10 Obsolete Area Plus[®] Service

(Obsoleted April 30, 1998, Type D. Not available for new customers, additions by existing customers, or transfers of existing service to a new location. This service may be retained by existing customers only while they remain at the same premises. New or existing customers must purchase units of a similar service which is offered in A3.2.10.)

A. General

1. Obsolete Area Plus[®] service provides residence subscribers a flat rate access line with unlimited calling to all exchange access lines within the subscriber's exchange and the Full Local Calling Area as defined in A3.6.1 of this Tariff. The access line includes Touch-Tone capability.
2. Calls completed with automated calling cards or operator assistance from the Obsolete Area Plus[®] service access line within the Full Local Calling Area will be rated only using the appropriate Local Operator and Calling Card Services surcharges specified in A3.14.3.A. Such calls are itemized on the subscriber's billing statement.
3. Calls made outside the Limited Local Calling Area but within the Full Local Calling Area (see A3.6.1) on which customers request time and charges will have those quotations based on toll rates.

A103. OBSOLETE SERVICE OFFERINGS - BASIC LOCAL EXCHANGE SERVICE

A103.2 Statewide Rate Schedules (Cont'd)

A103.2.10 Obsolete Area Plus[®] Service (Cont'd)

A. General (Cont'd)

4. Subscribers to any of the Obsolete Area Plus[®] services receive a thirty percent discount on rates specified in A18.3.1.B.2. This discount supersedes the volume discounts defined in A18.3.7, and is applied after the appropriate time period discounts specified in A18.3.1.B.3. have been applied and after the calls have been aggregated to a monthly total. This discount applies to covered customer-dialed sent paid calls originated from the subscriber's service; to covered customer-dialed calling card calls, including the calling card surcharges on these calls; and to covered customer-dialed collect calls accepted by the subscriber to any of the Obsolete Area Plus[®] services, including the operator surcharges on these calls. The discount is applied on a per line basis to each call type after the calls have been aggregated to a monthly total.
5. Residence customers may also subscribe to Obsolete Area Plus[®] service with the Complete Choice[®] option. All services/features specified in A3.2.9 as available with Complete Choice[®] service are available with this option of Obsolete Area Plus[®] service. Rules, regulations and limitations specified in A3.2.9 for Complete Choice[®] service apply to this option of Obsolete Area Plus[®] service.
6. Service charges specified in Section A4. of this Tariff do not apply for a conversion of existing service from Obsolete Area Plus[®] service or Obsolete Area Plus[®] service with the Complete Choice[®] option.
7. Obsolete Area Plus[®] service customers may not subscribe to Local Usage Detail.
8. Existing customers of Obsolete Area Plus[®] service with the Complete Choice[®] option can not take advantage of special promotions for Complete Choice[®] service or Area Plus[®] service with the Complete Choice[®] option or any of the services/features specified in A3.2.9. preceding unless specifically allowed by the terms of the special promotion.

B. Rates and Charges

1. Individual line service

	Suspend Rate	Monthly Rate	USOC
(a) Per line (without the Complete Choice [®] option)	\$16.00	\$32.00	AR3
(b) Per line with the Complete Choice [®] option	13.50	43.50	NA

(USOCs AC3 and VSB must both be used to provide this service.)

A103.3 Reserved For Future Use

A103.4 Reserved For Future Use

A103.5 Reserved For Future Use

A103.6 Reserved For Future Use

A103.7 Monthly Exchange Rates

(Obsolete, 07-10-93, Type D, Tariff Reference A3.7) Two-Party Line Service will not be available for new installations, relocations or transfers of service to new locations.

Effective 01-24-94, the Company will begin a program to upgrade two-party customers to individual line service. Customers will be notified prior to their service being changed. When upgraded, residential customers will be allowed to continue paying two-party zone charges until one of the following occurs: transfer of service to new location; additional line(s) added; or requested relocation of Company facilities.

A103.7.1 Flat Rate Service

A. Exchange

1. Allen

	Residence		Business		USOC
	1-Pty.	2-Pty.	1-Pty.	2-Pty.	
(a) R.G. 2	\$-	\$10.52	\$-	\$-	NA

(1)

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BY: E.C. Roberts, Jr., President - KY
Louisville, Kentucky

A103. OBSOLETE SERVICE OFFERINGS - BASIC LOCAL EXCHANGE SERVICE

A103.7 Monthly Exchange Rates (Cont'd)

A103.7.1 Flat Rate Service (Cont'd)

A. Exchange (Cont'd)

2. Aurora

		Residence		Business		USOC	
		1-Pty. \$-	2-Pty. \$9.84	1-Pty. \$-	2-Pty. \$-		
3.	Bagdad	(a) R.G. 1				NA	(f)
4.	Bardstown	(a) R.G. 1	-	9.84	-	-	NA (f)
5.	Beattyville	(a) R.G. 1	-	9.84	-	24.07	NA (f)
6.	Beaver Dam	(a) R.G. 1	-	9.84	-	24.07	NA (f)
7.	Bedford	(a) R.G. 1	-	9.84	-	24.07	NA (f)
8.	Benham-Lynch	(a) R.G. 1	-	9.84	-	-	NA (f)
9.	Benton	(a) R.G. 1	-	-	-	-	NA
10.	Bessie Bend	(a) R.G. 1	-	9.84	-	24.07	NA (f)
<p>The exchange rates and regulations applicable in that area in and around Bessie Bend, Kentucky, which lies within and is a part of the local service area of the Tiptonville, Tennessee exchange, an exchange principally located within the State of Tennessee, shall be the same as those fixed for similar services in Tiptonville by the Public Service Commission of Tennessee.</p>							
11.	Bloomfield	(a) R.G. 1	-	9.84	-	-	NA (f)
12.	Bluff Springs	(a) R.G. 3	-	11.04	-	-	NA (f)
13.	Bowling Green (Z)	(a) R.G. 3	-	11.04	-	-	NA (f)
14.	Bremen (Z)	(a) R.G. 1	-	9.84	-	-	NA (f)
15.	Burgin	(a) R.G. 1	-	9.84	-	-	NA (f)
16.	Cadiz	(a) R.G. 1	-	9.84	-	24.07	NA (f)
17.	Calhoun	(a) R.G. 1	-	9.84	-	-	NA (f)
18.	Campbellsburg	(a) R.G. 1	-	9.84	-	-	NA (f)
19.	Canton	(a) R.G. 1	-	9.84	-	-	NA (f)
20.	Carlisle	(a) R.G. 1	-	9.84	-	-	NA (f)
		(a) R.G. 1	-	9.84	-	-	NA (f)

A103. OBSOLETE SERVICE OFFERINGS - BASIC LOCAL EXCHANGE SERVICE

A103.7 Monthly Exchange Rates (Cont'd)

A103.7.1 Flat Rate Service (Cont'd)

A. Exchange (Cont'd)

21. Carrollton

		Residence		Business		USOC	(1)
		1-Pty. \$-	2-Pty. \$9.84	1-Pty. \$-	2-Pty. \$24.07		
22.	Cayce (Z)	(a) R.G. 1				NA	(1)
23.	Centertown	(a) R.G. 1	-	9.84	-	-	NA (1)
24.	Central City (Z)	(a) R.G. 1	-	9.84	-	-	NA (1)
25.	Chaplin	(a) R.G. 1	-	9.84	-	-	NA (1)
26.	Clay	(a) R.G. 1	-	9.84	-	-	NA (1)
27.	Clinton	(a) R.G. 1	-	9.84	-	24.07	NA (1)
28.	Cloverport	(a) R.G. 1	-	9.84	-	-	NA (1)
29.	Corbin	(a) R.G. 1	-	9.84	-	-	NA (1)
30.	Cornishville	(a) R.G. 2	-	10.52	-	-	NA (1)
31.	Corydon	(a) R.G. 1	-	9.84	-	-	NA (1)
32.	Crab Orchard	(a) R.G. 2	-	10.52	-	-	NA (1)
33.	Crofton	(a) R.G. 1	-	9.84	-	-	NA (1)
34.	Cropper	(a) R.G. 3	-	11.04	-	-	NA (1)
35.	Cynthiana	(a) R.G. 2	-	10.52	-	-	NA (1)
36.	Dade Park	(a) R.G. 1	-	9.84	-	24.07	NA (1)

The exchange rates and regulations applicable in that area in and around Dade Park, Kentucky, which lies within and is a part of the local service area of the Evansville, Indiana exchange, an exchange principally located within the State of Indiana, shall be the same as those fixed for similar services in Evansville by the Public Service Commission of Indiana.

A103. OBSOLETE SERVICE OFFERINGS - BASIC LOCAL EXCHANGE SERVICE

A103.7 Monthly Exchange Rates (Cont'd)

A103.7.1 Flat Rate Service (Cont'd)

A. Exchange (Cont'd)

37. Danville

		Residence		Business		USOC	
		1-Pty. \$-	2-Pty. \$-	1-Pty. \$-	2-Pty. \$-		
	(a) R.G. 1		<i>9.84</i>			NA	(f)
38.	Dawson Springs		<i>10.52</i>			NA	(f)
	(a) R.G. 2		<i>9.84</i>			NA	(f)
39.	Dixon		<i>9.84</i>			NA	(f)
	(a) R.G. 1		<i>9.84</i>			NA	(f)
40.	LRA Poole (2) (Z)		<i>9.84</i>			NA	(f)
	(a) R.G. 1		<i>9.84</i>			NA	(f)
41.	Drakesboro (Z)		<i>9.84</i>			NA	(f)
	(a) R.G. 1		<i>10.52</i>			NA	(f)
42.	Earlington		<i>10.52</i>			NA	(f)
	(a) R.G. 2		<i>9.84</i>			NA	(f)
43.	Eddyville (Z)		<i>9.84</i>			NA	(f)
	(a) R.G. 1		<i>10.52</i>		<i>26.22</i>	NA	(f)
44.	Elkhorn City		<i>9.84</i>			NA	(f)
	(a) R.G. 2		<i>9.84</i>			NA	(f)
45.	Elkton		<i>9.84</i>			NA	(f)
	(a) R.G. 1		<i>9.84</i>			NA	(f)
46.	LRA Allensville		<i>9.84</i>			NA	(f)
	(a) R.G. 1		<i>9.84</i>			NA	(f)
47.	Eminence		<i>9.84</i>		<i>24.07</i>	NA	(f)
	(a) R.G. 1		<i>9.84</i>		<i>24.07</i>	NA	(f)
48.	LRA New Castle		<i>9.84</i>		<i>24.07</i>	NA	(f)
	(a) R.G. 1		<i>9.84</i>		<i>24.07</i>	NA	(f)
49.	LRA Pleasureville		<i>9.84</i>		<i>24.07</i>	NA	(f)
	(a) R.G. 1		<i>9.84</i>		<i>24.07</i>	NA	(f)
50.	LRA Smithfield		<i>9.84</i>		<i>24.07</i>	NA	(f)
	(a) R.G. 1		<i>11.04</i>			NA	(f)
51.	Ensor		<i>10.52</i>		<i>26.22</i>	NA	(f)
	(a) R.G. 3		<i>9.84</i>			NA	(f)
52.	Fedscreek		<i>9.84</i>			NA	(f)
	(a) R.G. 2		<i>9.84</i>			NA	(f)
53.	Finchville		<i>9.84</i>			NA	(f)
	(a) R.G. 1					NA	(f)

A103. OBSOLETE SERVICE OFFERINGS - BASIC LOCAL EXCHANGE SERVICE

A103.7 Monthly Exchange Rates (Cont'd)

A103.7.1 Flat Rate Service (Cont'd)

A. Exchange (Cont'd)

54. Ford

			Residence		Business		USOC	
			1-Pty. \$-	2-Pty. \$11.04	1-Pty. \$-	2-Pty. \$-		
55.	Fordsville	(a) R.G. 3					NA	(f)
56.	Frankfort	(a) R.G. 1	-	9.84	-	24.07	NA	(f)
57.	Franklin	(a) R.G. 3	-	11.04	-	-	NA	(f)
58.	Fredonia (Z)	(a) R.G. 1	-	9.84	-	-	NA	(f)
59.	Freeburn	(a) R.G. 1	-	9.84	-	-	NA	(f)
60.	Fulton (Z)	(a) R.G. 1	-	9.84	-	24.07	NA	(f)
61.	Georgetown	(a) R.G. 1	-	9.84	-	-	NA	(f)
62.	Ghent	(a) (See A103.2.1.B.)	-	-	-	-	NA	
63.	Gilbertsville	(a) R.G. 1	-	9.84	-	-	NA	(f)
64.	Gracey	(a) R.G. 1	-	9.84	-	-	NA	(f)
65.	Greenville (Z)	(a) R.G. 3	-	11.04	-	-	NA	(f)
66.	Guthrie	(a) R.G. 1	-	9.84	-	-	NA	(f)
67.	LRA Keysburg (2) (Z)	(a) R.G. 1	-	9.84	-	-	NA	(f)
68.	Habit	(a) R.G. 3	-	11.04	-	-	NA	(f)
69.	Hanson	(a) R.G. 2	-	10.52	-	-	NA	(f)
70.	Hardinsburg	(a) R.G. 1	-	9.84	-	-	NA	(f)

A103. OBSOLETE SERVICE OFFERINGS - BASIC LOCAL EXCHANGE SERVICE

A103.7 Monthly Exchange Rates (Cont'd)

A103.7.1 Flat Rate Service (Cont'd)

A. Exchange (Cont'd)

71. Harlan

		Residence		Business		USOC	
		1-Pty.	2-Pty.	1-Pty.	2-Pty.		
		\$-	\$9.84	\$-	\$-	NA	(f)
72.	(a) R.G. 1 Harrodsburg	-	9.84	-	24.07	NA	(f)
73.	(a) R.G. 1 Hartford	-	9.84	-	-	NA	(f)
74.	(a) R.G. 1 Hawesville	-	9.84	-	24.07	NA	(f)
75.	(a) R.G. 2 Hebbardsville	-	10.52	-	-	NA	(f)
76.	(a) R.G. 2 Henderson	-	10.52	-	-	NA	(f)
77.	(a) R.G. 1 Hickman	-	9.84	-	-	NA	(f)
78.	(a) R.G. 3 Hopkinsville	-	11.04	-	-	NA	(f)
79.	(a) R.G. 1 Inez	-	9.84	-	-	NA	(f)
80.	(a) R.G. 1 Island	-	9.84	-	-	NA	(f)
81.	(a) R.G. 1 Jackson	-	9.84	-	24.07	NA	(f)
82.	(a) R.G. 1 Jellico	-	9.84	-	24.07	NA	(f)

The exchange rates and regulations applicable in that area in and around Jellico, Kentucky, which lies within and is a part of the local service area of the Jellico, Tennessee exchange, an exchange principally located within the State of Tennessee, shall be the same as those fixed for similar services in Jellico, Tennessee by the Public Service Commission of Tennessee.

83. Jordan

The exchange rates and regulations applicable in that area in and around Jordan, Kentucky, which lies within and is a part of the local service area of the Union City, Tennessee exchange, an exchange principally located within the State of Tennessee, shall be the same as those fixed for similar services in Union City by the Public Service Commission of Tennessee.

84. Junction City

85.	(a) R.G. 1 Kirksville	-	9.84	-	-	NA	(f)
	(a) R.G. 3	-	11.04	-	-	NA	(f)

A103. OBSOLETE SERVICE OFFERINGS - BASIC LOCAL EXCHANGE SERVICE

A103.7 Monthly Exchange Rates (Cont'd)

A103.7.1 Flat Rate Service (Cont'd)

A. Exchange (Cont'd)

86. LaFayette

		Residence		Business		USOC	(1)
		1-Pty. \$-	2-Pty. \$	1-Pty. \$-	2-Pty. \$-		
	(a) R.G. 3		<i>11.04</i>			NA	(1)
87.	LaGrange	-	<i>14.08</i>	-	-	NA	(1)
	(a) R.G. 5						
88.	Lawrenceburg	-	<i>9.84</i>	-	-	NA	(1)
	(a) R.G. 1						
89.	Lebanon Junction	-	<i>9.84</i>	-	<i>24.07</i>	NA	(1)
	(a) R.G. 1						
90.	Little Rock	-	<i>9.84</i>	-	-	NA	(1)
	(a) R.G. 1						
91.	Livermore	-	<i>9.84</i>	-	-	NA	(1)
	(a) R.G. 1						
92.	Louisa	-	<i>9.84</i>	-	-	NA	(1)
	(a) R.G. 1						
93.	Louisville (1)	-	<i>9.84</i>	-	-	NA	(1)
	(a) R.G. 5						
94.	Maceo	-	<i>14.08</i>	-	-	NA	(1)
	(a) R.G. 3						
95.	Mackville (Z)	-	<i>11.04</i>	-	-	NA	(1)
	(a) R.G. 1						
96.	Madisonville	-	<i>9.84</i>	-	-	NA	(1)
	(a) R.G. 2						
97.	LRA Anton Area (2) (Z)	-	<i>10.52</i>	-	-	NA	(1)
	(a) R.G. 2						
98.	Marion	-	<i>10.52</i>	-	-	NA	(1)
	(a) R.G. 1						
99.	Martin	-	<i>9.84</i>	-	-	NA	(1)
	(a) R.G. 2						
100.	Mayfield (Z)	-	<i>10.52</i>	-	-	NA	(1)
	(a) R.G. 2						
101.	Maysville (Z)	-	<i>10.52</i>	-	-	NA	(1)
	(a) R.G. 1						
102.	McCarr (Z)	-	<i>9.84</i>	-	<i>24.07</i>	NA	(1)
	(a) R.G. 1						
	(a) R.G. 1	-	<i>9.84</i>	-	-	NA	(1)

ISSUED: September 5, 2000
BY: E.C. Roberts, Jr., President - KY
Louisville, Kentucky

A103. OBSOLETE SERVICE OFFERINGS - BASIC LOCAL EXCHANGE SERVICE

A103.7 Monthly Exchange Rates (Cont'd)

A103.7.1 Flat Rate Service (Cont'd)

A. Exchange (Cont'd)

103. McDaniels

		Residence		Business		USOC	
		1-Pty. \$-	2-Pty. \$9.84	1-Pty. \$-	2-Pty. \$24.07		
	(a) R.G. 1					NA	(f)
104.	McDowell					NA	(f)
	(a) R.G. 2	-	10.52	-	-	NA	(f)
105.	Middlesboro (Z)					NA	(f)
	(a) R.G. 2	-	10.52	-	26.22	NA	(f)
106.	Millersburg					NA	(f)
	(a) R.G. 1	-	9.84	-	-	NA	(f)
107.	Milton					NA	(f)
	(a) R.G. 1	-	9.84	-	-	NA	(f)
108.	Mooreville					NA	(f)
	(a) R.G. 1	-	9.84	-	-	NA	(f)
109.	Morganfield					NA	(f)
	(a) R.G. 1	-	9.84	-	-	NA	(f)
110.	LRA Waverly					NA	(f)
	(a) R.G. 1	-	9.84	-	-	NA	(f)
111.	Morgantown					NA	(f)
	(a) R.G. 1	-	9.84	-	24.07	NA	(f)
112.	Mortons Gap					NA	(f)
	(a) R.G. 2	-	10.52	-	-	NA	(f)
113.	Mt. Eden					NA	(f)
	(a) R.G. 1	-	9.84	-	24.07	NA	(f)
114.	Mt. Sterling (Z)					NA	(f)
	(a) R.G. 1	-	9.84	-	24.07	NA	(f)
115.	Murray					NA	(f)
	(a) R.G. 2	-	10.52	-	-	NA	(f)
116.	Nebo					NA	(f)
	(a) R.G. 2	-	10.52	-	-	NA	(f)
117.	Neon					NA	(f)
	(a) R.G. 1	-	9.84	-	-	NA	(f)
118.	New Haven					NA	(f)
	(a) R.G. 1	-	9.84	-	-	NA	(f)
119.	New Liberty					NA	(f)
	(a) R.G. 1	-	9.84	-	-	NA	(f)

A103. OBSOLETE SERVICE OFFERINGS - BASIC LOCAL EXCHANGE SERVICE

A103.7 Monthly Exchange Rates (Cont'd)

A103.7.1 Flat Rate Service (Cont'd)

A. Exchange (Cont'd)

120. North Middleton

		Residence		Business		USOC	
		1-Pty. \$-	2-Pty. \$	1-Pty. \$-	2-Pty. \$		
	(a) R.G. 1		<i>99.84</i>		<i>224.07</i>	NA	(f)
121.	Nortonville						
	(a) R.G. 2	-	<i>10.52</i>	-	-	NA	(f)
122.	LRA White Plains						
	(a) R.G. 2	-	<i>10.52</i>	-	-	NA	(f)
123.	Oak Grove						
	(a) R.G. 4	-	<i>11.56</i>	-	<i>29.86</i>	NA	(f)
124.	Owensboro						
	(a) R.G. 3	-	<i>11.04</i>	-	-	NA	(f)
125.	Owenton						
	(a) R.G. 1	-	<i>9.84</i>	-	<i>24.07</i>	NA	(f)
126.	Paducah (Z)						
	(a) R.G. 3	-	<i>11.04</i>	-	<i>28.02</i>	NA	(f)
127.	Paintsville						
	(a) R.G. 1	-	<i>9.84</i>	-	<i>24.07</i>	NA	(f)
128.	Panther						
	(a) R.G. 3	-	<i>11.04</i>	-	-	NA	(f)
129.	Paris						
	(a) R.G. 1	-	<i>9.84</i>	-	<i>24.07</i>	NA	(f)
130.	LRA Clintonville						
	(a) R.G. 1	-	<i>9.84</i>	-	<i>24.07</i>	NA	(f)
131.	LRA Shawhan						
	(a) R.G. 1	-	<i>9.84</i>	-	<i>24.07</i>	NA	(f)
132.	Pembroke						
	(a) R.G. 3	-	<i>11.04</i>	-	<i>28.02</i>	NA	(f)
133.	Perryville						
	(a) R.G. 1	-	<i>9.84</i>	-	<i>24.07</i>	NA	(f)
134.	Pikeville						
	(a) R.G. 3	-	<i>11.04</i>	-	<i>28.02</i>	NA	(f)
135.	LRA Meta (2) (Z)						
	(a) R.G. 2	-	<i>10.52</i>	-	<i>26.22</i>	NA	(f)
136.	Pineville						
	(a) R.G. 1	-	<i>9.84</i>	-	-	NA	(f)

A103. OBSOLETE SERVICE OFFERINGS - BASIC LOCAL EXCHANGE SERVICE

A103.7 Monthly Exchange Rates (Cont'd)

A103.7.1 Flat Rate Service (Cont'd)

A. Exchange (Cont'd)

137. Pleasant Ridge

		Residence		Business		USOC	
		1-Pty.	2-Pty.	1-Pty.	2-Pty.		
		\$-	\$11.04	\$-	\$-	NA	(f)
(a)	R.G. 3						
138.	Port Royal	-	9.84	-	-	NA	(f)
(a)	R.G. 1						
139.	Prestonsburg	-	10.52	-	26.22	NA	(f)
(a)	R.G. 2						
140.	Princeton (Z)	-	9.84	-	-	NA	(f)
(a)	R.G. 1						
141.	Providence	-	9.84	-	-	NA	(f)
(a)	R.G. 1						
142.	Richmond	-	11.04	-	-	NA	(f)
(a)	R.G. 3						
143.	Robards	-	10.52	-	-	NA	(f)
(a)	R.G. 2						
144.	Rose Terrace (Z)	-	11.04	-	-	NA	(f)
(a)	R.G. 3						
145.	Russellville	-	9.84	-	-	NA	(f)
(a)	R.G. 1						
146.	LRA Olmstead	-	9.84	-	-	NA	(f)
(a)	R.G. 1						
147.	Sacramento	-	9.84	-	24.07	NA	(f)
(a)	R.G. 1						
148.	Sadieville	-	-	-	-	NA	
(a)	(See A103.2.1.B)						
149.	St. Charles	-	10.52	-	-	NA	(f)
(a)	R.G. 2						
150.	Salvisa	-	9.84	-	-	NA	(f)
(a)	R.G. 1						
151.	Sebree	-	9.84	-	-	NA	(f)
(a)	R.G. 1						
152.	Sharon Grove	-	9.84	-	-	NA	(f)
(a)	R.G. 1						
153.	Shelbyville	-	9.84	-	24.07	NA	(f)
(a)	R.G. 1						

A103. OBSOLETE SERVICE OFFERINGS - BASIC LOCAL EXCHANGE SERVICE

A103.7 Monthly Exchange Rates (Cont'd)

A103.7.1 Flat Rate Service (Cont'd)

A. Exchange (Cont'd)

154. Simpsonville

		Residence		Business		USOC	
		1-Pty. \$-	2-Pty. \$-	1-Pty. \$-	2-Pty. \$-		
	(a) R.G. 1		9.84			NA	(f)
155.	Slaughters						
	(a) R.G. 1	-	9.84	-	-	NA	(f)
156.	Sorgho						
	(a) R.G. 3	-	11.04	-	28.02	NA	(f)
157.	S. Williamson (Z)						
	(a) R.G. 2	-	10.52	-	-	NA	(f)
158.	Springfield						
	(a) R.G. 1	-	9.84	-	-	NA	(f)
159.	Stamping Ground						
	(a) (See A103.2.1.B)	-	-	-	-	NA	
160.	Stanford						
	(a) R.G. 1	-	9.84	-	24.07	NA	(f)
161.	Stanley						
	(a) R.G. 3	-	11.04	-	-	NA	(f)
162.	Stanton						
	(a) R.G. 1	-	9.84	-	24.07	NA	(f)
163.	Stone						
	(a) R.G. 1	-	9.84	-	-	NA	(f)
164.	Sturgis						
	(a) R.G. 1	-	9.84	-	-	NA	(f)
165.	Sulphur						
	(a) R.G. 1	-	9.84	-	-	NA	(f)
166.	Symsonia (Z)						
	(a) R.G. 3	-	11.04	-	-	NA	(f)
167.	Taylorsville						
	(a) R.G. 1	-	9.84	-	24.07	NA	(f)
168.	Trenton						
	(a) R.G. 1	-	9.84	-	-	NA	(f)
169.	Utica						
	(a) R.G. 3	-	11.04	-	-	NA	(f)
170.	Virgie						
	(a) R.G. 2	-	10.52	-	26.22	NA	(f)

A103. OBSOLETE SERVICE OFFERINGS - BASIC LOCAL EXCHANGE SERVICE

A103.7 Monthly Exchange Rates (Cont'd)

A103.7.1 Flat Rate Service (Cont'd)

A. Exchange (Cont'd)

171. Waco

			Residence		Business		USOC	(f)
			1-Pty. \$-	2-Pty. \$	1-Pty. \$-	2-Pty. \$-		
171. Waco	(a)	R.G. 3		<i>11.04</i>			NA	(f)
172. Waddy	(a)	R.G. 1	-	<i>9.84</i>	-	<i>24.07</i>	NA	(f)
173. Wallins Creek	(a)	R.G. 1	-	<i>9.84</i>	-	-	NA	(f)
174. Warfield (Z)	(a)	R.G. 1	-	<i>9.84</i>	-	-	NA	(f)
175. Water Valley	(a)	R.G. 1	-	<i>9.84</i>	-	-	NA	(f)
176. Wayland	(a)	R.G. 1	-	<i>9.84</i>	-	-	NA	(f)
177. W. Louisville	(a)	R.G. 2	-	<i>10.52</i>	-	-	NA	(f)
178. West Point (1)	(a)	R.G. 3	-	<i>11.04</i>	-	-	NA	(f)
179. Whitesburg	(a)	R.G. 5	-	<i>14.08</i>	-	-	NA	(f)
180. Whitesville	(a)	R.G. 1	-	<i>9.84</i>	-	-	NA	(f)
181. Williamsburg	(a)	R.G. 3	-	<i>11.04</i>	-	-	NA	(f)
182. Willisburg	(a)	R.G. 2	-	<i>10.52</i>	-	<i>26.22</i>	NA	(f)
183. Winchester	(a)	R.G. 1	-	<i>9.84</i>	-	-	NA	(f)
184. LRA Pilot View	(a)	R.G. 2	-	<i>10.52</i>	-	-	NA	(f)
185. Woodburn (Z)	(a)	R.G. 2	-	<i>10.52</i>	-	-	NA	(f)
	(a)	R.G. 3	-	<i>11.04</i>	-	-	NA	(f)

A103. OBSOLETE SERVICE OFFERINGS - BASIC LOCAL EXCHANGE SERVICE

A103.8 Joint User Service (Cont'd)

A103.8.1 Application And Regulations (Cont'd)

- B. Joint User Service is permitted in connection with the following: (Cont'd)
4. Centrex Type Services.
- C. Application for Joint User Service and for changes in service or equipment furnished therewith, must be executed by the primary subscriber. The primary subscriber is responsible for payment of all charges incurred, regardless of whether such charges are associated with his usage or that of any of his Joint Users. Stations, additional listings and miscellaneous equipment are furnished, with the consent of the primary subscriber, for use of the Joint User, at the regular rates.
- D. Charges for Joint User Service date from the day of the Company's information records are posted and are payable monthly in advance. The minimum chargeable period for Joint User Service is the life of the directory issue in which the listing first appears, not to exceed one year from the effective date of the listing. Contracts for Joint User Service are self-renewing for periods of one directory issue, not to exceed one year from the effective date of the directory. In the event the joint user listing does not appear in the directory, the minimum chargeable period is for one month.
- E. Joint User Service is terminated and charges for Joint User Service are automatically discontinued upon termination of the primary subscriber's telephone service. Charges for Joint User Service may be discontinued at the request of the subscriber provided that the Joint User no longer utilizes any of the customer's service or equipment, and also that the terms of the minimum service period have been satisfied.
- F. The total charges for telephone service allocated by the primary subscriber among the subscriber and his joint users shall not exceed the charges of the Company to the primary subscriber as set forth in this Tariff.
- G. Joint Users of a primary subscriber's service must have the option of obtaining service directly from the Company.
- H. A Joint User is entitled to one listing in the alphabetical section of the telephone directory.
- I. Joint User Service is not provided on party lines.

A103.8.2 Rates

Joint User Service associated with the following classes of service are furnished at the rates indicated.

A. Business Individual Line

1. Flat Rate

	Monthly Rate	USOC	
(a) Exchanges in Louisville Local Calling Area	\$14.29	JUF	(1)
(b) All other exchanges	10.99	JUF	(1)

2. Measured Rate

(a) Exchanges in Louisville Local Calling Area	11.31	JUD	(1)
(b) All other exchanges	8.99	JUD	(1)

3. Message Rate

(a) Louisville exchange	10.11	JUM	(1)
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A103. OBSOLETE SERVICE OFFERINGS - BASIC LOCAL EXCHANGE SERVICE

A103.8 Joint User Service (Cont'd)

A103.8.2 Rates (Cont'd)

	Monthly Rate	USOC	
B. PBX Service			
1. Commercial Flat Rate			
(a) Exchanges in Louisville Local Calling Area	<i>14.29</i>	JUP	(1)
(b) All other exchanges	<i>10.99</i>	JUP	(1)
2. Measured Rate			
(a) Exchanges in Louisville Local Calling Area	<i>11.31</i>	JUE	(1)
(b) All other exchanges	<i>8.99</i>	JUE	(1)
C. Hotel PBX Service			
1. Message Rate			
(a) Exchanges in Louisville Local Calling Area	<i>10.11</i>	JUR	(1)
(b) All other exchanges	<i>8.19</i>	JUR	(1)
2. Permanent Guest or Tenant Maintaining a Residence in the Hotel (Message Rate)			
(a) Exchanges in Louisville Local Calling Area	<i>5.45</i>	JUS	(1)
(b) All other exchanges	<i>5.08</i>	JUS	(1)
3. Measured Rate			
(a) Exchanges in Louisville Local Calling Area	<i>11.31</i>	JUE	(1)
(b) All other exchanges	<i>8.99</i>	JUE	(1)
4. Permanent Guest or Tenant Maintaining a Residence in the Hotel (Measured Rate)			
(a) Exchanges in Louisville Local Calling Area	<i>5.93</i>	JUT	(1)
(b) All other exchanges	<i>5.40</i>	JUT	(1)
D. Centrex Type Services (excluding Dormitory Centrex)			
1. Joint User			
Same rates apply as for Commercial Flat Rate PBX Service.			
(a) Each	-	JUP	

ISSUED: September 5, 2000
BY: E.C. Roberts, Jr., President - KY
Louisville, Kentucky

J4. RATES AND CHARGES

J4.1 Calculation of Charges for Non-Traffic Sensitive Revenue Recovery

- A. Non-Traffic Sensitive Revenue Requirement monthly charges are determined through the allocation process described in J4.2 following. The charges are based on the annual Revenue Requirements as ordered for the Company by the KPSC in Administrative Case 323. The original Revenue Requirement of \$60,507,000.00 was established by the KPSC by order in Case 90-256, Phase II, January 23, 1992. Annual Revenue Requirement changes are as follows:

Date	Change	Total
01-23-92		\$ 60,507,000
03-01-93	\$ 2,414,000	\$ 62,921,000
03-01-94	\$ 1,176,000	\$ 64,097,000
03-01-95	\$ 1,361,000	\$ 65,458,000
03-01-96	\$ 1,210,000	\$ 66,668,000
10-01-00	\$66,668,000	\$ 0

(N)

- B. Changes to the Revenue Requirement are as follows:

Date	Total Reduction	Bell	Carrier
06/01/92	\$ 6,140,000	\$ 754,035	\$ 5,385,965
12/01/92	\$ 3,637,613	\$ 547,351	\$ 3,090,262
06/01/93	\$ 3,302,788	\$ 512,000	\$ 2,790,788
07/01/93	\$ 2,239,000	\$ 275,000	\$ 1,964,000
01/01/94	\$ 2,689,000	\$ 0	\$ 2,689,000
06/01/94	\$ 1,200,000	\$ 0	\$ 1,200,000
09/15/95	\$ 1,300,000	\$ 1,300,000	\$ 0
10/30/95	\$ 908,000	\$ 908,000	\$ 0
01/02/96	\$ 9,348,000	\$ 0	\$ 9,348,000
10/01/97	\$ 6,380	\$ 0	\$ 6,380
12/01/97	\$ 1,204,573	\$ 0	\$ 1,204,573
12/01/97	\$ 1,631,157	\$ 0	\$ 1,631,157
01/01/98	\$ 580,904	\$ 0	\$ 580,904
05/01/98	\$ 6,759	\$ 0	\$ 6,759
08/01/98	\$ 673,779	\$ 0	\$ 673,779
02/01/99	\$ 83,383	\$ 0	\$ 83,383
08/01/99	\$13,090,609	\$ 0	\$13,090,609
12/01/99	\$ 300,946	\$ 0	\$ 300,946
08/01/00	\$ 5,264,789	\$ 0	\$ 5,264,789
08/01/00	\$ 161,733	\$ 0	\$ 161,733
08/01/00	\$ 1,772,479	\$ 0	\$ 1,772,479
09/01/00	\$ 372,801	\$ 0	\$ 372,801

Date	Total Increase	Bell	Carrier
08/01/97	\$ 668,626	\$ 0	\$ 668,626
02/01/98	\$ 2,360,092	\$ 0	\$ 2,360,092
07/01/98	\$ 83,872	\$ 0	\$ 83,872
12/01/98	\$ 148,846	\$ 0	\$ 148,846
06/01/99	\$ 386,382	\$ 0	\$ 386,382

Filing made on 9/05/00.
This filing contained confidential
Information that is under seal.

(Edited)

C.W. 99-434

REC
SEP 6
PUBLIC
COMMISS-

RECEIVED
SEP 05 2000
PUBLIC SERVICE
COMMISSION

Residential Increases

1FR rates are increased 5% in all Rate Groups except Rate Group 5. Rate Group 5 rates are increased \$0.85. Rates that are related to the 1FR rate are adjusted accordingly. The increases are summarized below:

	RG1	RG2	RG3	RG4	EXCP	RG5
RES 1-PARTY FLAT	\$ 0.60	\$ 0.65	\$ 0.68	\$ 0.71	\$ 0.72	\$ 0.85
RES 2-PARTY FLAT	\$ 0.46	\$ 0.50	\$ 0.52	\$ 0.55	\$ 0.55	\$ 0.67
RES FLAT ISDN, M TO M	\$ 0.60	\$ 0.65	\$ 0.68	\$ 0.71	\$ 0.72	\$ 0.85
RES FLAT ISDN, 24 - 59 MOS	\$ 0.60	\$ 0.65	\$ 0.68	\$ 0.71	\$ 0.72	\$ 0.85
RES STD MEAS	\$ 0.46	\$ 0.50	\$ 0.52	\$ 0.55	-	\$ 0.67
RES LOW USE MEAS	\$ 0.32	\$ 0.35	\$ 0.36	\$ 0.38	-	\$ 0.46
RES MEAS ISDN	\$ 0.45	\$ 0.45	\$ 0.45	\$ 0.45	\$ 0.45	\$ 0.52
RES PLAN LINE	\$ 0.45	\$ 0.45	\$ 0.45	\$ 0.45	\$ 0.45	\$ 0.52
RES PLAN LINE W/LUD	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.57
PREMIUM CALLING USAGE PACKAGE						\$1.00

These increases produce a positive annual revenue effect of \$5,537,841 for residence access lines and \$247,188 for the Residence Premium Calling Usage Package (see attached priceout).

State: Kentucky
Docket 99-434

Present and Proposed Rates and Revenues
LOCAL EXCHANGE

Develop Date : 06/00
Page : 1 of 29
Run Date : 08/28/00

RECURRING RATES

Tariff Section/ Page # (1)	Service Description (2)	USOC (3)	Present Demand (4)	Proposed Demand (5)	Present Rate (6)	Proposed Rate (7)	\$ Change (8)	% Change (9)	Present Annual Revenue (10)	Proposed Annual Revenue (11)	Annual Revenue Change (12)	MB Seg. (13)
RATE GROUP 1												
A3/2	RES 1-PARTY FLAT		\$12.17		\$12.77	\$0.60	4.93%					1001
A103/1	RES 2-PARTY FLAT		\$9.38		\$9.84	\$0.46	4.90%					1001
A142/4	RES FLAT ISDN, M TO M		\$52.17		\$52.77	\$0.60	1.15%					1576
A42/15	RES FLAT ISDN, 24 -59 MOS		\$48.17		\$48.77	\$0.60	1.25%					1576
A3/2	RES STD MEAS		\$9.38		\$9.84	\$0.46	4.90%					1002
A3/2	RES LOW USE MEAS		\$6.59		\$6.91	\$0.32	4.86%					1002
A142/4	RES MEAS ISDN		\$41.00		\$41.45	\$0.45	1.10%					1576
A3/3.2	RES PLAN LINE		\$9.00		\$9.45	\$0.45	5.00%					1002
A3/3.1	RES PLAN LINE W/LUD		\$10.00		\$10.50	\$0.50	5.00%					1002
SUBTOTAL												
RATE GROUP 2												
A3/2	RES 1-PARTY FLAT		\$13.02		\$13.67	\$0.65	4.99%					1001
A103/1	RES 2-PARTY FLAT		\$10.02		\$10.52	\$0.50	4.99%					1001
A142/4	RES FLAT ISDN, M TO M		\$53.02		\$53.67	\$0.65	1.23%					1576
A42/15	RES FLAT ISDN, 24 -59 MOS		\$49.02		\$49.67	\$0.65	1.33%					1576
A3/2	RES STD MEAS		\$10.02		\$10.52	\$0.50	4.99%					1002
A3/2	RES LOW USE MEAS		\$7.01		\$7.36	\$0.35	4.99%					1002
A142/4	RES MEAS ISDN		\$41.00		\$41.45	\$0.45	1.10%					1576
A3/3.2	RES PLAN LINE		\$9.00		\$9.45	\$0.45	5.00%					1002
A3/3.1	RES PLAN LINE W/LUD		\$10.00		\$10.50	\$0.50	5.00%					1002
SUBTOTAL												
RATE GROUP 3												
A3/2	RES 1-PARTY FLAT		\$13.69		\$14.37	\$0.68	4.97%					1001
A103/1	RES 2-PARTY FLAT		\$10.52		\$11.04	\$0.52	4.94%					1001
A142/4	RES FLAT ISDN, M TO M		\$53.69		\$54.37	\$0.68	1.27%					1576
A42/15	RES FLAT ISDN, 24 -59 MOS		\$49.69		\$50.37	\$0.68	1.37%					1576
A3/2	RES STD MEAS		\$10.52		\$11.04	\$0.52	4.94%					1002
A3/2	RES LOW USE MEAS		\$7.34		\$7.70	\$0.36	4.90%					1002
A142/4	RES MEAS ISDN		\$41.00		\$41.45	\$0.45	1.10%					1576
A3/3.2	RES PLAN LINE		\$9.00		\$9.45	\$0.45	5.00%					1002
A3/3.1	RES PLAN LINE W/LUD		\$10.00		\$10.50	\$0.50	5.00%					1002
SUBTOTAL												
RATE GROUP 4												
A3/2	RES 1-PARTY FLAT		\$14.34		\$15.05	\$0.71	4.95%					1001
A103/1	RES 2-PARTY FLAT		\$11.01		\$11.56	\$0.55	5.00%					1001
A142/4	RES FLAT ISDN, M TO M		\$54.34		\$55.05	\$0.71	1.31%					1576
A42/15	RES FLAT ISDN, 24 -59 MOS		\$50.34		\$51.05	\$0.71	1.41%					1576
A3/2	RES STD MEAS		\$11.01		\$11.56	\$0.55	5.00%					1002
A3/2	RES LOW USE MEAS		\$7.67		\$8.05	\$0.38	4.95%					1002

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Present and Proposed Rates and Revenues
LOCAL EXCHANGE

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RECURRING RATES

Tariff Section/ Page #	Service Description	USOC (3)	Present Demand (4)	Proposed Demand (5)	Present Rate (6)	Proposed Rate (7)	\$ Change (8)	% Change (9)	Present Annual Revenue (10)	Proposed Annual Revenue (11)	Annual Revenue Change (12)	MB Seg.
A142/4	RES MEAS ISDN				\$41.00	\$41.45	\$0.45	1.10%				1576
A3/3.2	RES PLAN LINE				\$9.00	\$9.45	\$0.45	5.00%				1002
A3/3.1	RES PLAN LINE W/LUD				\$10.00	\$10.50	\$0.50	5.00%				1002
	RATE GROUP 4											
	RATE GROUP 5											
A3/2	RES 1-PARTY FLAT				\$17.55	\$18.40	\$0.85	4.84%				1001
A103/1	RES 2-PARTY FLAT				\$13.41	\$14.08	\$0.67	5.00%				1001
A142/4	RES FLAT ISDN, M TO M				\$57.55	\$58.40	\$0.85	1.48%				1576
A42/15	RES FLAT ISDN, 24 -59 MOS				\$53.55	\$54.40	\$0.85	1.59%				1576
A3/2	RES STD MEAS				\$13.41	\$14.08	\$0.67	5.00%				1002
A3/2	RES LOW USE MEAS				\$9.27	\$9.73	\$0.46	4.96%				1002
A142/4	RES MEAS ISDN				\$42.50	\$43.02	\$0.52	1.22%				1576
A3/3.2	RES PLAN LINE				\$10.50	\$11.02	\$0.52	4.95%				1002
A3/3.1	RES PLAN LINE W/LUD				\$11.50	\$12.07	\$0.57	4.96%				1002
	RATE GROUP 5											
	EXCEPTION EXCHANGES											
A3/2	RES 1-PARTY FLAT				\$14.50	\$15.22	\$0.72	4.97%				1001
A103/1	RES 2-PARTY FLAT				\$11.13	\$11.68	\$0.55	4.94%				1001
A142/4	RES FLAT ISDN, M TO M				\$54.50	\$55.22	\$0.72	1.32%				1576
A42/15	RES FLAT ISDN, 24 -59 MOS				\$50.50	\$51.22	\$0.72	1.43%				1576
A142/4	RES MEAS ISDN				\$41.00	\$41.45	\$0.45	1.10%				1576
A3/3.2	RES PLAN LINE				\$9.00	\$9.45	\$0.45	5.00%				1002
A3/3.1	RES PLAN LINE W/LUD				\$10.00	\$10.50	\$0.50	5.00%				1002
	EXCEPTION EXCHANGES											
	TOTAL								\$113,016,836	\$118,554,676	\$5,537,841	

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 LOCAL EXCHANGE

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TOTAL REVENUES

	Present Annual Revenue (1)	Proposed Annual Revenue (2)	Annual Revenue Change (3)
SUB-TOTALS			
Recurring	\$113,016,836	\$118,554,676	\$5,537,841
Non-recurring	\$0	\$0	\$0
SECTION TOTALS	\$113,016,836	\$118,554,676	\$5,537,841

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Present and Proposed Rates and Revenues
LOCAL EXCHANGE

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TOTAL REVENUES SUMMED BY MARKET BASKET

M B Segment (1)	Service Description (2)	Present Annual Revenue (3)	Proposed Annual Revenue (4)	Annual Revenue Change (5)
1001	FLAT RATE RESIDENTIAL	\$108,952,897	\$114,298,989	\$5,346,092
1002	RESIDENTIAL (MEASURED, MESSAGE, EXPANDED CALLING PLANS)	\$3,759,365	\$3,946,805	\$187,439
1003	BUSINESS	#REF!	#REF!	#REF!
1004	GROUPING SERVICE	#REF!	#REF!	#REF!
1005	NETWORK ACCESS REGISTERS	#REF!	#REF!	#REF!
1006	TRUNK LINES	#REF!	#REF!	#REF!
1007	TRUNK SIDE ACCESS FACILITY	#REF!	#REF!	#REF!
1015	JOINT USER SERVICE	#REF!	#REF!	#REF!
1016	EMERGENCY REPORTING NETWORK SERVICES	#REF!	#REF!	#REF!
1104	BACK-UP LINE	#REF!	#REF!	#REF!
1511	FOREIGN EXCHANGE AND FOREIGN C.O. SERVICE - KY	#REF!	#REF!	#REF!
1529	ANNOUNCEMENT FACILITIES - KY	\$304,573	\$308,882	\$4,309
1576	ISDN INDIVIDUAL SERVICES - RESIDENTIAL AND BUSINESS - KY	#REF!	#REF!	#REF!
2024	TOLL TRUNKS (TOLL TERMINALS)	#REF!	#REF!	#REF!
2054	DATA TRANSPORT SERVICE ACCESS CHANNEL SERVICE	#REF!	#REF!	#REF!
3001	ACCESS LINE SVC FOR CUST. PROVIDED TELEPHONE	#REF!	#REF!	#REF!

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Present and Proposed Rates and Revenues
 A003 BASIC LOCAL EXCHANGE SERVICE

RECURRING RATES

Tariff Section/ Page # (1)	Service Description (2)	USOC (3)	Present Demand (4)	Proposed Demand (5)	Present Rate (6)	Proposed Rate (7)	\$ Change (8)	% Change (9)	Present Annual Revenue (10)	Proposed Annual Revenue (11)	Annual Revenue Change (12)	MB Seq. (13)
A3/3.2	A003.02.08 PREMIUM CALLING USAGE PACKAGE RESIDENCE	PREXX			\$20.00	\$21.00	\$1.00	5.00%				1002
A3/3.2	A003.02.08 PREMIUM CALLING USAGE PACKAGE BUSINESS	BREXX			\$55.00	\$55.00	\$0.00	0.00%				1003
							SUBTOTAL		\$5,705,400	\$5,952,588	\$247,188	
							TOTAL					

The Residential MTS Volume Discount is presently in the BellSouth General Subscriber Services Tariff as follows:

A18.3.7 Volume Discounts

A. Residence

1. The following discounts are applicable to residential customer accounts only and will be applied on an account basis.

These discounts are applied after the application of the rate period discounts as specified in A18.3.1.B. and apply only to intrastate, intraLATA Message Telecommunications Service.

Monthly BillingPer Account	Cumulative Discount
\$.01 - \$ 5.00	0%
\$ 5.01 - \$10.00	5%
\$10.01 - \$20.00	10%
Over \$20.00	30%

These discounts are being eliminated producing a revenue increase of \$2,380,609 per the attached priceout.

KENTUCKY TOLL REVENUE EFFECTS

09/01/00

Residence

11:01 AM

Data Month: June 2000

	Residence	Residence	Business Saver Service			Total
	ICQ	Bell Only	Monthly	12-Month	24-Month	
Existing Revenues						
MTS Usage						
Saver Service Discount						
Percent Change						
MTS Usage						
Saver Service Discount						
Elasticity Factor						
MTS Usage (with stimulation)						
Saver Service Discount (with stimulation)						
Proposed Revenues						
MTS Usage						
Saver Service Discount						
Revenue Impacts						
MTS Usage						
Saver Service Discount						
Settlements Change						
Change in Expenses						
TOTAL REVENUE EFFECT						\$2,380,609

TOLL RATE SCHEDULE	EXISTING		PROPOSED	
	Initial	Additional	Initial	Additional
1 - 10 Miles	\$0.100	\$0.200	\$0.100	\$0.200
11 - 16 Miles	\$0.100	\$0.200	\$0.100	\$0.200
17 - 22 Miles	\$0.100	\$0.200	\$0.100	\$0.200
23 - 30 Miles	\$0.100	\$0.200	\$0.100	\$0.200
31 - 40 Miles	\$0.100	\$0.200	\$0.100	\$0.200
41 - 55 Miles	\$0.100	\$0.200	\$0.100	\$0.200
56 - 70 Miles	\$0.100	\$0.200	\$0.100	\$0.200
71 - 85 Miles	\$0.100	\$0.200	\$0.100	\$0.200
86 - 100 Miles	\$0.100	\$0.200	\$0.100	\$0.200
101 - 124 Miles	\$0.100	\$0.200	\$0.100	\$0.200
125 - 148 Miles	\$0.100	\$0.200	\$0.100	\$0.200
149 - 196 Miles	\$0.100	\$0.200	\$0.100	\$0.200
197+ Miles	\$0.100	\$0.200	\$0.100	\$0.200

OPERATOR SURCHARGE RATES	Charge Per Call	Charge Per Call
Automated Calling Card	\$0.00	\$0.00
Operator Assist Calling Card	\$0.00	\$0.00
Person-to-Person	\$0.00	\$0.00
Operator Handled	\$0.00	\$0.00

TIME-OF-DAY DISCOUNT PERIODS	Existing Periods	Discounts	Proposed Periods	Discounts
Day / Peak	7am-7pm	0%	7am-7pm	0%
Evening / Off-Peak	7pm-7am	40%	7pm-7am	40%
Night	NA	0%	NA	0%

AUTOMATIC VOLUME DISCOUNTS	Existing Break Points	Discounts	Proposed Break Points	Discounts
	\$0	0%	\$0	0%
	\$5.01	5%	\$5.01	0%
	\$10.01	10%	\$10.01	0%
	\$20.01	30%	\$20.01	0%

MTS	\$72.01	-	573
MTS	\$73.01	-	574
MTS	\$74.01	-	575
MTS	\$75.01	-	576
MTS	\$76.01	-	577
MTS	\$77.01	-	578
MTS	\$78.01	-	579
MTS	\$79.01	-	580
MTS	\$80.01	-	581
MTS	\$81.01	-	582
MTS	\$82.01	-	583
MTS	\$83.01	-	584
MTS	\$84.01	-	585
MTS	\$85.01	-	586
MTS	\$86.01	-	587
MTS	\$87.01	-	588
MTS	\$88.01	-	589
MTS	\$89.01	-	590
MTS	\$90.01	-	591
MTS	\$91.01	-	592
MTS	\$92.01	-	593
MTS	\$93.01	-	594
MTS	\$94.01	-	595
MTS	\$95.01	-	596
MTS	\$96.01	-	597
MTS	\$97.01	-	598
MTS	\$98.01	-	599
MTS	\$99.01	-	600
MTS	\$100.01	-	600
MTS	\$200.01	-	600
MTS	\$300.01	-	600
MTS	\$400.01	-	600
MTS	\$500.01	-	600
MTS	\$600.01	-	600
MTS	\$700.01	-	600
MTS	\$800.01	-	600
MTS	\$900.01	-	600
MTS	\$900.01	-	#####
MTS	#####	+	
TDFMM			
TDFMM	\$0.01	-	50
TDFMM	\$1.01	-	51
TDFMM	\$2.01	-	52
TDFMM	\$3.01	-	53
TDFMM	\$4.01	-	54
TDFMM	\$5.01	-	55
TDFMM	\$6.01	-	56
TDFMM	\$7.01	-	57
TDFMM	\$8.01	-	58
TDFMM	\$9.01	-	59
TDFMM	\$10.01	-	60
TDFMM	\$11.01	-	61
TDFMM	\$12.01	-	62
TDFMM	\$13.01	-	63
TDFMM	\$14.01	-	64
TDFMM	\$15.01	-	65
TDFMM	\$16.01	-	66
TDFMM	\$17.01	-	67
TDFMM	\$18.01	-	68
TDFMM	\$19.01	-	69
TDFMM	\$20.01	-	70
TDFMM	\$21.01	-	71
TDFMM	\$22.01	-	72
TDFMM	\$23.01	-	73
TDFMM	\$24.01	-	74
TDFMM	\$25.01	-	75
TDFMM	\$26.01	-	76
TDFMM	\$27.01	-	77
TDFMM	\$28.01	-	78
TDFMM	\$29.01	-	79
TDFMM	\$30.01	-	80
TDFMM	\$31.01	-	81
TDFMM	\$32.01	-	82
TDFMM	\$33.01	-	83
TDFMM	\$34.01	-	84
TDFMM	\$35.01	-	85
TDFMM	\$36.01	-	86
TDFMM	\$37.01	-	87
TDFMM	\$38.01	-	88
TDFMM	\$39.01	-	89
TDFMM	\$40.01	-	90
TDFMM	\$41.01	-	91
TDFMM	\$42.01	-	92
TDFMM	\$43.01	-	93
TDFMM	\$44.01	-	94
TDFMM	\$45.01	-	95
TDFMM	\$46.01	-	96
TDFMM	\$47.01	-	97
TDFMM	\$48.01	-	98
TDFMM	\$49.01	-	99
TDFMM	\$49.01	-	550

TDFMM	\$50.01	\$51
TDFMM	\$51.01	\$52
TDFMM	\$52.01	\$53
TDFMM	\$53.01	\$54
TDFMM	\$54.01	\$55
TDFMM	\$55.01	\$56
TDFMM	\$56.01	\$57
TDFMM	\$57.01	\$58
TDFMM	\$58.01	\$59
TDFMM	\$59.01	\$60
TDFMM	\$60.01	\$61
TDFMM	\$61.01	\$62
TDFMM	\$62.01	\$63
TDFMM	\$63.01	\$64
TDFMM	\$64.01	\$65
TDFMM	\$65.01	\$66
TDFMM	\$66.01	\$67
TDFMM	\$67.01	\$68
TDFMM	\$68.01	\$69
TDFMM	\$69.01	\$70
TDFMM	\$70.01	\$71
TDFMM	\$71.01	\$72
TDFMM	\$72.01	\$73
TDFMM	\$73.01	\$74
TDFMM	\$74.01	\$75
TDFMM	\$75.01	\$76
TDFMM	\$76.01	\$77
TDFMM	\$77.01	\$78
TDFMM	\$78.01	\$79
TDFMM	\$79.01	\$80
TDFMM	\$80.01	\$81
TDFMM	\$81.01	\$82
TDFMM	\$82.01	\$83
TDFMM	\$83.01	\$84
TDFMM	\$84.01	\$85
TDFMM	\$85.01	\$86
TDFMM	\$86.01	\$87
TDFMM	\$87.01	\$88
TDFMM	\$88.01	\$89
TDFMM	\$89.01	\$90
TDFMM	\$90.01	\$91
TDFMM	\$91.01	\$92
TDFMM	\$92.01	\$93
TDFMM	\$93.01	\$94
TDFMM	\$94.01	\$95
TDFMM	\$95.01	\$96
TDFMM	\$96.01	\$97
TDFMM	\$97.01	\$98
TDFMM	\$98.01	\$99
TDFMM	\$99.01	\$100
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TDFMM	\$200.01	\$300
TDFMM	\$300.01	\$400
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TDFMM	\$500.01	\$600
TDFMM	\$600.01	\$700
TDFMM	\$700.01	\$800
TDFMM	\$800.01	\$900
TDFMM	\$900.01	#####
TDFMM	#####	#####
TDF12	\$0	\$0
TDF12	\$0.01	\$1
TDF12	\$1.01	\$2
TDF12	\$2.01	\$3
TDF12	\$3.01	\$4
TDF12	\$4.01	\$5
TDF12	\$5.01	\$6
TDF12	\$6.01	\$7
TDF12	\$7.01	\$8
TDF12	\$8.01	\$9
TDF12	\$9.01	\$10
TDF12	\$10.01	\$11
TDF12	\$11.01	\$12
TDF12	\$12.01	\$13
TDF12	\$13.01	\$14
TDF12	\$14.01	\$15
TDF12	\$15.01	\$16
TDF12	\$16.01	\$17
TDF12	\$17.01	\$18
TDF12	\$18.01	\$19
TDF12	\$19.01	\$20
TDF12	\$20.01	\$21
TDF12	\$21.01	\$22
TDF12	\$22.01	\$23
TDF12	\$23.01	\$24
TDF12	\$24.01	\$25
TDF12	\$25.01	\$26
TDF12	\$26.01	\$27
TDF12	\$27.01	\$28

TDF12	\$28.01	\$29
TDF12	\$29.01	\$30
TDF12	\$30.01	\$31
TDF12	\$31.01	\$32
TDF12	\$32.01	\$33
TDF12	\$33.01	\$34
TDF12	\$34.01	\$35
TDF12	\$35.01	\$36
TDF12	\$36.01	\$37
TDF12	\$37.01	\$38
TDF12	\$38.01	\$39
TDF12	\$39.01	\$40
TDF12	\$40.01	\$41
TDF12	\$41.01	\$42
TDF12	\$42.01	\$43
TDF12	\$43.01	\$44
TDF12	\$44.01	\$45
TDF12	\$45.01	\$46
TDF12	\$46.01	\$47
TDF12	\$47.01	\$48
TDF12	\$48.01	\$49
TDF12	\$49.01	\$50
TDF12	\$50.01	\$51
TDF12	\$51.01	\$52
TDF12	\$52.01	\$53
TDF12	\$53.01	\$54
TDF12	\$54.01	\$55
TDF12	\$55.01	\$56
TDF12	\$56.01	\$57
TDF12	\$57.01	\$58
TDF12	\$58.01	\$59
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TDF12	\$65.01	\$66
TDF12	\$66.01	\$67
TDF12	\$67.01	\$68
TDF12	\$68.01	\$69
TDF12	\$69.01	\$70
TDF12	\$70.01	\$71
TDF12	\$71.01	\$72
TDF12	\$72.01	\$73
TDF12	\$73.01	\$74
TDF12	\$74.01	\$75
TDF12	\$75.01	\$76
TDF12	\$76.01	\$77
TDF12	\$77.01	\$78
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TDF12	\$79.01	\$80
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TDF12	\$82.01	\$83
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TDF12	\$87.01	\$88
TDF12	\$88.01	\$89
TDF12	\$89.01	\$90
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TDF12	\$91.01	\$92
TDF12	\$92.01	\$93
TDF12	\$93.01	\$94
TDF12	\$94.01	\$95
TDF12	\$95.01	\$96
TDF12	\$96.01	\$97
TDF12	\$97.01	\$98
TDF12	\$98.01	\$99
TDF12	\$99.01	\$100
TDF12	\$100.01	\$200
TDF12	\$200.01	\$300
TDF12	\$300.01	\$400
TDF12	\$400.01	\$500
TDF12	\$500.01	\$600
TDF12	\$600.01	\$700
TDF12	\$700.01	\$800
TDF12	\$800.01	\$900
TDF12	\$900.01	#####
TDF24	\$0.00	\$0
TDF24	\$0.01	\$1
TDF24	\$1.01	\$2
TDF24	\$2.01	\$3
TDF24	\$3.01	\$4
TDF24	\$4.01	\$5
TDF24	\$5.01	\$6

TDF24	\$6.01	57
TDF24	\$7.01	58
TDF24	\$8.01	59
TDF24	\$9.01	60
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TDF24	\$12.01	63
TDF24	\$13.01	64
TDF24	\$14.01	65
TDF24	\$15.01	66
TDF24	\$16.01	67
TDF24	\$17.01	68
TDF24	\$18.01	69
TDF24	\$19.01	70
TDF24	\$20.01	71
TDF24	\$21.01	72
TDF24	\$22.01	73
TDF24	\$23.01	74
TDF24	\$24.01	75
TDF24	\$25.01	76
TDF24	\$26.01	77
TDF24	\$27.01	78
TDF24	\$28.01	79
TDF24	\$29.01	80
TDF24	\$30.01	81
TDF24	\$31.01	82
TDF24	\$32.01	83
TDF24	\$33.01	84
TDF24	\$34.01	85
TDF24	\$35.01	86
TDF24	\$36.01	87
TDF24	\$37.01	88
TDF24	\$38.01	89
TDF24	\$39.01	90
TDF24	\$40.01	91
TDF24	\$41.01	92
TDF24	\$42.01	93
TDF24	\$43.01	94
TDF24	\$44.01	95
TDF24	\$45.01	96
TDF24	\$46.01	97
TDF24	\$47.01	98
TDF24	\$48.01	99
TDF24	\$49.01	100
TDF24	\$50.01	101
TDF24	\$51.01	102
TDF24	\$52.01	103
TDF24	\$53.01	104
TDF24	\$54.01	105
TDF24	\$55.01	106
TDF24	\$56.01	107
TDF24	\$57.01	108
TDF24	\$58.01	109
TDF24	\$59.01	110
TDF24	\$60.01	111
TDF24	\$61.01	112
TDF24	\$62.01	113
TDF24	\$63.01	114
TDF24	\$64.01	115
TDF24	\$65.01	116
TDF24	\$66.01	117
TDF24	\$67.01	118
TDF24	\$68.01	119
TDF24	\$69.01	120
TDF24	\$70.01	121
TDF24	\$71.01	122
TDF24	\$72.01	123
TDF24	\$73.01	124
TDF24	\$74.01	125
TDF24	\$75.01	126
TDF24	\$76.01	127
TDF24	\$77.01	128
TDF24	\$78.01	129
TDF24	\$79.01	130
TDF24	\$80.01	131
TDF24	\$81.01	132
TDF24	\$82.01	133
TDF24	\$83.01	134
TDF24	\$84.01	135
TDF24	\$85.01	136
TDF24	\$86.01	137
TDF24	\$87.01	138
TDF24	\$88.01	139
TDF24	\$89.01	140
TDF24	\$90.01	141
TDF24	\$91.01	142
TDF24	\$92.01	143
TDF24	\$93.01	144
TDF24	\$94.01	145
TDF24	\$95.01	146

TDF24	\$96.01	-	\$97
TDF24	\$97.01	-	\$98
TDF24	\$98.01	-	\$99
TDF24	\$99.01	-	\$100
TDF24	\$100.01	-	\$200
TDF24	\$200.01	-	\$300
TDF24	\$300.01	-	\$400
TDF24	\$400.01	-	\$500
TDF24	\$500.01	-	\$600
TDF24	\$600.01	-	\$700
TDF24	\$700.01	-	\$800
TDF24	\$800.01	-	\$900
TDF24	\$900.01	-	#####
TDF24	#####	+	

RATES		Existing		Proposed	
		Initial	Additional	Initial	Additional
1 - 10 Miles	10	\$0.1000	\$0.200	\$0.1000	\$0.200
11 - 16 Miles	16	\$0.1000	\$0.200	\$0.1000	\$0.200
17 - 22 Miles	22	\$0.1000	\$0.200	\$0.1000	\$0.200
23 - 30 Miles	30	\$0.1000	\$0.200	\$0.1000	\$0.200
31 - 40 Miles	40	\$0.1000	\$0.200	\$0.1000	\$0.200
41 - 55 Miles	55	\$0.1000	\$0.200	\$0.1000	\$0.200
56 - 70 Miles	70	\$0.1000	\$0.200	\$0.1000	\$0.200
71 - 85 Miles	85	\$0.1000	\$0.200	\$0.1000	\$0.200
86 - 100 Miles	100	\$0.1000	\$0.200	\$0.1000	\$0.200
101 - 124 Miles	124	\$0.1000	\$0.200	\$0.1000	\$0.200
125 - 148 Miles	148	\$0.1000	\$0.200	\$0.1000	\$0.200
149 - 196 Miles	196	\$0.1000	\$0.200	\$0.1000	\$0.200
197 - 244 Miles	244	\$0.1000	\$0.200	\$0.1000	\$0.200
245 - 292 Miles	292	\$0.1000	\$0.200	\$0.1000	\$0.200
293 - 354 Miles	354	\$0.1000	\$0.200	\$0.1000	\$0.200
355 - 392 Miles	392	\$0.1000	\$0.200	\$0.1000	\$0.200
393+ Miles	999	\$0.1000	\$0.200	\$0.1000	\$0.200

TIME-OF-DAY DISCOUNTS

	Existing	Proposed
Day	0.00%	0.00%
Evening	40.00%	40.00%
Nights	0.00%	0.00%

OPERATOR SURCHARGES

OPERATOR EXPENSES PER MESSAGE

**Blown-up
To Forecast**

	Existing	Proposed	OPH RATES	Monthly	Annual	
DDD	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
OPH	\$0.00	\$0.00	\$2.25	\$0.41	\$0.00	\$0.00
ACC	\$0.00	\$0.00	\$0.80	\$0.15	\$0.00	\$0.00
PER	\$0.00	\$0.00	\$4.90	\$1.45	\$0.00	\$0.00
OCC	\$0.00	\$0.00	\$2.25	\$0.39	\$0.00	\$0.00
				\$0.00	\$0.00	\$0

VOLUME DISCOUNT PERCENTAGES

Automatic Discounts		
MTS		
Existing	1	need % takes -<- column offsets
(\$1.00)	0.00%	
\$5.01	5.00%	
\$10.01	10.00%	
\$20.01	30.00%	
Proposed		
(\$1.00)	0.00%	
\$5.01	0.00%	
\$10.01	0.00%	
\$20.01	0.00%	

Month-Month 12-MONTH 24-MONTH

	Discounts		
	TDFMM	TDF12	TDF24
Existing	1	2	3
(\$1.00)	0.00%	5.00%	15.00%
\$10.01	5.00%	10.00%	20.00%
\$50.01	10.00%	15.00%	25.00%
\$75.01	15.00%	20.00%	30.00%
Proposed			
(\$1.00)	0.00%	5.00%	15.00%
\$10.01	5.00%	10.00%	20.00%
\$50.01	10.00%	15.00%	25.00%
\$75.01	15.00%	20.00%	30.00%

SETTLEMENTS

Revenue Adjustment for a 1% change in messages	
Res	\$0
Bus	\$0

CHANGE IN OPERATOR EXPENSES

DDD	\$0
OPERATOR	\$0
DIALED CALLING CARD	\$0
PERSON	\$0
OPERATOR CALLING CARD	\$0
TOTAL	\$0

Remove Business TouchTone and Reduce RG5 on PSP lines to \$1.70 and Roll the TouchTone rate into 2-Way and Outgoing Business Access Lines and Trunks.

The touchtone rate for 2-way and outgoing business access lines and trunks and Payphone Service Provider access lines is \$3.00 for all rate groups. We will reduce the rate for TouchTone in rate group 5 by \$1.30. Then we will eliminate the separate charge for business touchtone for all but Payphone access lines. The rate for 2-Way and Outgoing Business Access lines and trunks will increase by \$3.00 for all rate groups except rate group 5. For rate group 5 the increase will be \$1.70. Payphone Service Providers will continue to pay a separate touchtone charge of \$1.70 in rate group 5 and \$3.00 in all other rate groups.

The net revenue effects of these rate changes is a reduction of (\$1,144,053) per the attached priceouts.

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	RATE GROUP 1											
A3/2	BUS 1-PARTY FLAT				\$32.00	\$35.00	\$3.00	9.38%				1003
A103/1	BUS 2-PARTY FLAT				\$21.07	\$24.07	\$3.00	14.24%				1003
A3/40	BUS FLAT HTG				\$12.00	\$12.00	\$0.00	0.00%				1004
A3/40	BUS MESS HTG				\$12.00	\$12.00	\$0.00	0.00%				1004
A3/2	BUS STD MEAS				\$23.17	\$26.17	\$3.00	12.95%				1003
A3/40	BUS MEAS HTG				\$12.00	\$12.00	\$0.00	0.00%				1004
A3/3.1	BUS PLAN LINE				\$29.70	\$32.70	\$3.00	10.10%				1003
A3/3.1	BUS PLAN LINE W/LUD				\$32.70	\$35.70	\$3.00	9.17%				1003
A3/40	BUS PLAN HTG				\$12.00	\$12.00	\$0.00	0.00%				1004
A3/60	BUS BACK-UP LINE				\$16.00	\$17.50	\$1.50	9.38%				1104
A3/43	TRK FLAT-IN				\$32.00	\$32.00	\$0.00	0.00%				1006
A3/43	TRK FLAT-OUT				\$32.00	\$35.00	\$3.00	9.38%				1006
A3/43	TRK FLAT-2W				\$32.00	\$35.00	\$3.00	9.38%				1006
A3/43	TRK DID COMBO				\$64.00	\$67.00	\$3.00	4.69%				1006
A3/43.1	TRK MESS-OUT 1ST				\$20.77	\$23.77	\$3.00	14.44%				1006
A3/43.1	TRK MESS-OUT ADDL				\$15.77	\$18.77	\$3.00	19.02%				1006
A3/43.1	TRK MESS-2W 1ST				\$20.77	\$23.77	\$3.00	14.44%				1006
A3/43.1	TRK MESS-2W ADDL				\$15.77	\$18.77	\$3.00	19.02%				1006
A3/43	TRK MEAS-IN				\$23.17	\$23.17	\$0.00	0.00%				1006
A3/43	TRK MEAS-OUT				\$23.17	\$26.17	\$3.00	12.95%				1006
A3/43	TRK MEAS-2W				\$23.17	\$26.17	\$3.00	12.95%				1006
A3/43.1	TRK PLAN IN				\$29.70	\$29.70	\$0.00	0.00%				1006
A3/43.1	TRK PLAN OUT				\$29.70	\$32.70	\$3.00	10.10%				1006
A3/43.1	TRK PLAN OUT W/LUD				\$32.70	\$35.70	\$3.00	9.17%				1006
A3/43.1	TRK PLAN 2W				\$29.70	\$32.70	\$3.00	10.10%				1006
A3/43.1	TRK PLAN 2W W/LUD				\$32.70	\$35.70	\$3.00	9.17%				1006
A3/36	NAR ESSX FLAT-IN				\$21.50	\$21.50	\$0.00	0.00%				1005
A3/36	NAR ESSX FLAT-OUT				\$21.50	\$21.50	\$0.00	0.00%				1005
A3/36	NAR ESSX FLAT-2W				\$10.00	\$10.00	\$0.00	0.00%				1005
A3/36.0.1	NAR ESSX PLAN IN				\$10.00	\$10.00	\$0.00	0.00%				1005
A3/36.0.1	NAR ESSX PLAN IN W/LUD				\$10.00	\$10.00	\$0.00	0.00%				1005
A3/36.0.1	NAR ESSX PLAN OUT				\$10.00	\$10.00	\$0.00	0.00%				1005
A3/36.0.1	NAR ESSX PLAN OUT W/LUD				\$10.00	\$10.00	\$0.00	0.00%				1005
A3/36.0.1	NAR ESSX PLAN 2W				\$13.00	\$13.00	\$0.00	0.00%				1005
A3/36.0.1	NAR ESSX PLAN 2W W/LUD				\$13.00	\$13.00	\$0.00	0.00%				1005
A111/5	NAR ESSX-1/SPL FLAT-IN				\$32.00	\$32.00	\$0.00	0.00%				1005
A111/5	NAR ESSX-1/SPL FLAT-OUT				\$32.00	\$35.00	\$3.00	9.38%				1005
A111/5	NAR ESSX-1/SPL FLAT-2W				\$32.00	\$35.00	\$3.00	9.38%				1005
A3/36	NAR ML/LG FLAT-IN				\$21.50	\$21.50	\$0.00	0.00%				1005
A3/36	NAR ML/LG FLAT-OUT				\$21.50	\$24.50	\$3.00	13.95%				1005
A3/36	NAR DID COMBO				\$43.00	\$46.00	\$3.00	6.98%				1005
A3/36	NAR ML/LG FLAT-2W				\$21.50	\$24.50	\$3.00	13.95%				1005

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A3/2	RATE GROUP 2				\$32.90	\$35.90	\$3.00	9.12%				1003
A103/1	BUS 1-PARTY FLAT				\$23.22	\$26.22	\$3.00	12.92%				1003
A3/40	BUS 2-PARTY FLAT				\$11.25	\$11.25	\$0.00	0.00%				1004
A3/40	BUS FLAT HTG				\$11.25	\$11.25	\$0.00	0.00%				1003
A3/2	BUS MESS HTG				\$25.52	\$28.52	\$3.00	11.76%				1004
A3/40	BUS STD MEAS				\$11.25	\$11.25	\$0.00	0.00%				1003
A3/3.1	BUS MEAS HTG				\$29.70	\$32.70	\$3.00	10.10%				1003
A3/3.1	BUS PLAN LINE W/LUD				\$11.25	\$11.25	\$0.00	0.00%				1004
A3/40	BUS PLAN HTG				\$16.45	\$17.95	\$1.50	9.12%				1104
A3/60	BUS BACK-UP LINE				\$32.90	\$32.90	\$0.00	0.00%				1006
A3/43	TRK FLAT-IN				\$32.90	\$35.90	\$3.00	9.12%				1006
A3/43	TRK FLAT-OUT				\$32.90	\$35.90	\$3.00	9.12%				1006
A3/43	TRK DID COMBO				\$65.80	\$68.80	\$3.00	4.56%				1006
A3/43.1	TRK MESS-OUT 1ST				\$20.77	\$23.77	\$3.00	14.44%				1006
A3/43.1	TRK MESS-OUT ADDL				\$20.77	\$23.77	\$3.00	14.44%				1006
A3/43.1	TRK MESS-2W 1ST				\$15.77	\$18.77	\$3.00	19.02%				1006
A3/43.1	TRK MESS-2W ADDL				\$15.77	\$18.77	\$3.00	19.02%				1006
A3/43	TRK MEAS-OUT				\$25.52	\$28.52	\$3.00	11.76%				1006
A3/43	TRK MEAS-2W				\$25.52	\$28.52	\$3.00	11.76%				1006
A3/43.1	TRK PLAN IN				\$29.70	\$29.70	\$0.00	0.00%				1006
A3/43.1	TRK PLAN OUT W/LUD				\$29.70	\$32.70	\$3.00	10.10%				1006
A3/43.1	TRK PLAN 2W				\$32.70	\$35.70	\$3.00	9.17%				1006
A3/43.1	TRK PLAN 2W W/LUD				\$32.70	\$35.70	\$3.00	9.17%				1005
A3/36	NAR ESSX FLAT-IN				\$21.50	\$21.50	\$0.00	0.00%				1005
A3/36	NAR ESSX FLAT-OUT				\$21.50	\$21.50	\$0.00	0.00%				1005
A3/36.0.1	NAR ESSX PLAN IN W/LUD				\$10.00	\$10.00	\$0.00	0.00%				1005
A3/36.0.1	NAR ESSX PLAN IN				\$10.00	\$10.00	\$0.00	0.00%				1005
A3/36.0.1	NAR ESSX PLAN OUT W/LUD				\$13.00	\$13.00	\$0.00	0.00%				1005
A3/36.0.1	NAR ESSX PLAN OUT				\$10.00	\$10.00	\$0.00	0.00%				1005
A3/36.0.1	NAR ESSX PLAN 2W				\$13.00	\$13.00	\$0.00	0.00%				1005
A111/5	NAR ESSX-1/SPL FLAT-IN				\$32.90	\$32.90	\$0.00	0.00%				1005
A111/5	NAR ESSX-1/SPL FLAT-OUT				\$32.90	\$32.90	\$0.00	0.00%				1005
A3/36	NAR ML/LG FLAT-IN				\$21.50	\$21.50	\$0.00	0.00%				1005
A3/36	NAR ML/LG FLAT-OUT				\$21.50	\$21.50	\$0.00	0.00%				1005
A3/36	NAR DID COMBO				\$43.00	\$46.00	\$3.00	6.98%				1005
A3/36	NAR ML/LG FLAT-2W				\$21.50	\$24.50	\$3.00	13.95%				1005

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	RATE GROUP 3											
A3/2	BUS 1-PARTY FLAT		\$32.90		\$35.90	\$3.00	9.12%	\$3.00				1003
A103/1	BUS 2-PARTY FLAT		\$25.02		\$28.02	\$3.00	11.99%	\$3.00				1003
A3/40	BUS FLAT HTG		\$10.50		\$10.50	\$0.00	0.00%	\$0.00				1004
A3/40	BUS MESS HTG		\$10.50		\$10.50	\$0.00	0.00%	\$0.00				1004
A3/2	BUS STD MEAS		\$27.52		\$30.52	\$3.00	10.90%	\$3.00				1003
A3/40	BUS MEAS HTG		\$10.50		\$10.50	\$0.00	0.00%	\$0.00				1004
A3/3.1	BUS PLAN LINE		\$29.70		\$32.70	\$3.00	10.10%	\$3.00				1003
A3/3.1	BUS PLAN LINE W/LUD		\$32.70		\$35.70	\$3.00	9.17%	\$3.00				1003
A3/40	BUS PLAN HTG		\$10.50		\$10.50	\$0.00	0.00%	\$0.00				1004
A3/60	BUS BACK-UP LINE		\$16.45		\$17.95	\$1.50	9.12%	\$1.50				1104
A3/43	TRK FLAT-IN		\$32.90		\$32.90	\$0.00	0.00%	\$0.00				1006
A3/43	TRK FLAT-OUT		\$32.90		\$35.90	\$3.00	9.12%	\$3.00				1006
A3/43	TRK FLAT-2W		\$32.90		\$35.90	\$3.00	9.12%	\$3.00				1006
A3/43	TRK DID COMBO		\$65.80		\$68.80	\$3.00	4.56%	\$3.00				1006
A3/43.1	TRK MESS-OUT 1ST		\$20.77		\$23.77	\$3.00	14.44%	\$3.00				1006
A3/43.1	TRK MESS-OUT ADDL		\$15.77		\$18.77	\$3.00	19.02%	\$3.00				1006
A3/43.1	TRK MESS-2W 1ST		\$20.77		\$23.77	\$3.00	14.44%	\$3.00				1006
A3/43.1	TRK MESS-2W ADDL		\$15.77		\$18.77	\$3.00	19.02%	\$3.00				1006
A3/43	TRK MEAS-IN		\$27.52		\$27.52	\$0.00	0.00%	\$0.00				1006
A3/43	TRK MEAS-OUT		\$27.52		\$30.52	\$3.00	10.90%	\$3.00				1006
A3/43	TRK MEAS-2W		\$27.52		\$30.52	\$3.00	10.90%	\$3.00				1006
A3/43.1	TRK PLAN IN		\$29.70		\$29.70	\$0.00	0.00%	\$0.00				1006
A3/43.1	TRK PLAN OUT		\$29.70		\$32.70	\$3.00	10.10%	\$3.00				1006
A3/43.1	TRK PLAN OUT W/LUD		\$32.70		\$35.70	\$3.00	9.17%	\$3.00				1006
A3/43.1	TRK PLAN 2W		\$29.70		\$32.70	\$3.00	10.10%	\$3.00				1006
A3/43.1	TRK PLAN 2W W/LUD		\$32.70		\$35.70	\$3.00	9.17%	\$3.00				1006
A3/36	NAR ESSK FLAT-IN		\$21.50		\$21.50	\$0.00	0.00%	\$0.00				1005
A3/36	NAR ESSK FLAT-OUT		\$21.50		\$21.50	\$0.00	0.00%	\$0.00				1005
A3/36	NAR ESSK FLAT-2W		\$10.00		\$10.00	\$0.00	0.00%	\$0.00				1005
A3/36.0.1	NAR ESSK PLAN IN		\$10.00		\$10.00	\$0.00	0.00%	\$0.00				1005
A3/36.0.1	NAR ESSK PLAN IN W/LUD		\$13.00		\$13.00	\$0.00	0.00%	\$0.00				1005
A3/36.0.1	NAR ESSK PLAN OUT		\$10.00		\$10.00	\$0.00	0.00%	\$0.00				1005
A3/36.0.1	NAR ESSK PLAN OUT W/LUD		\$13.00		\$13.00	\$0.00	0.00%	\$0.00				1005
A3/36.0.1	NAR ESSK PLAN 2W		\$13.00		\$13.00	\$0.00	0.00%	\$0.00				1005
A111/5	NAR ESSK-1/SPL FLAT-IN		\$32.90		\$32.90	\$0.00	0.00%	\$0.00				1005
A111/5	NAR ESSK-1/SPL FLAT-OUT		\$32.90		\$35.90	\$3.00	9.12%	\$3.00				1005
A111/5	NAR ESSK-1/SPL FLAT-2W		\$32.90		\$35.90	\$3.00	9.12%	\$3.00				1005
A3/36	NAR ML/LG FLAT-IN		\$21.50		\$21.50	\$0.00	0.00%	\$0.00				1005
A3/36	NAR ML/LG FLAT-OUT		\$21.50		\$24.50	\$3.00	13.95%	\$3.00				1005
A3/36	NAR DID COMBO		\$43.00		\$46.00	\$3.00	6.98%	\$3.00				1005
A3/36	NAR ML/LG FLAT-2W		\$21.50		\$24.50	\$3.00	13.95%	\$3.00				1005

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A3/2	RATE GROUP 4				\$32.90	\$35.90	\$3.00	9.12%				1003
A103/1	BUS 1-PARTY FLAT				\$26.86	\$29.86	\$3.00	11.17%				1003
A3/40	BUS 2-PARTY FLAT				\$10.00	\$10.00	\$0.00	0.00%				1004
A3/40	BUS FLAT HTG				\$10.00	\$10.00	\$0.00	0.00%				1004
A3/40	BUS MESS HTG				\$29.46	\$32.46	\$3.00	10.18%				1003
A3/2	BUS STD MEAS				\$10.00	\$10.00	\$0.00	0.00%				1004
A3/40	BUS MEAS HTG				\$29.70	\$32.70	\$3.00	10.10%				1003
A3/3.1	BUS PLAN LINE				\$32.70	\$35.70	\$3.00	9.17%				1003
A3/3.1	BUS PLAN LINE W/LUD				\$10.00	\$10.00	\$0.00	0.00%				1004
A3/40	BUS PLAN HTG				\$16.45	\$17.95	\$1.50	9.12%				1104
A3/60	BUS BACK-UP LINE				\$32.90	\$32.90	\$0.00	0.00%				1006
A3/43	TRK FLAT-IN				\$32.90	\$35.90	\$3.00	9.12%				1006
A3/43	TRK FLAT-OUT				\$32.90	\$35.90	\$3.00	9.12%				1006
A3/43	TRK FLAT-2W				\$68.80	\$68.80	\$0.00	0.00%				1006
A3/43	TRK DID COMBO				\$20.77	\$23.77	\$3.00	14.44%				1006
A3/43.1	TRK MESS-OUT 1ST				\$15.77	\$18.77	\$3.00	19.02%				1006
A3/43.1	TRK MESS-OUT ADDL				\$20.77	\$23.77	\$3.00	14.44%				1006
A3/43.1	TRK MESS-2W 1ST				\$15.77	\$18.77	\$3.00	19.02%				1006
A3/43.1	TRK MESS-2W ADDL				\$29.46	\$32.46	\$3.00	10.18%				1006
A3/43	TRK MEAS-IN				\$29.46	\$32.46	\$3.00	10.18%				1006
A3/43	TRK MEAS-2W				\$29.70	\$32.70	\$3.00	10.10%				1006
A3/43	TRK PLAN IN				\$29.70	\$32.70	\$3.00	10.10%				1006
A3/43.1	TRK PLAN OUT				\$32.70	\$35.70	\$3.00	9.17%				1006
A3/43.1	TRK PLAN OUT W/LUD				\$29.70	\$32.70	\$3.00	10.10%				1006
A3/43.1	TRK PLAN 2W				\$32.70	\$35.70	\$3.00	9.17%				1005
A3/43.1	TRK PLAN 2W W/LUD				\$21.50	\$21.50	\$0.00	0.00%				1005
A3/36	NAR ESSX FLAT-IN				\$21.50	\$21.50	\$0.00	0.00%				1005
A3/36	NAR ESSX FLAT-OUT				\$10.00	\$10.00	\$0.00	0.00%				1005
A3/36	NAR ESSX FLAT-2W				\$10.00	\$10.00	\$0.00	0.00%				1005
A3/36.0.1	NAR ESSX PLAN IN				\$10.00	\$10.00	\$0.00	0.00%				1005
A3/36.0.1	NAR ESSX PLAN IN W/LUD				\$10.00	\$10.00	\$0.00	0.00%				1005
A3/36.0.1	NAR ESSX PLAN OUT				\$13.00	\$13.00	\$0.00	0.00%				1005
A3/36.0.1	NAR ESSX PLAN OUT W/LUD				\$13.00	\$13.00	\$0.00	0.00%				1005
A3/36.0.1	NAR ESSX PLAN 2W				\$32.90	\$32.90	\$0.00	0.00%				1005
A3/36.0.1	NAR ESSX PLAN 2W W/LUD				\$32.90	\$35.90	\$3.00	9.12%				1005
A111/5	NAR ESSX-1/SPL FLAT-IN				\$32.90	\$35.90	\$3.00	9.12%				1005
A111/5	NAR ESSX-1/SPL FLAT-OUT				\$32.90	\$35.90	\$3.00	9.12%				1005
A3/36	NAR ML/LG FLAT-IN				\$21.50	\$21.50	\$0.00	0.00%				1005
A3/36	NAR ML/LG FLAT-OUT				\$21.50	\$24.50	\$3.00	13.95%				1005
A3/36	NAR DID COMBO				\$43.00	\$46.00	\$3.00	6.98%				1005
A3/36	NAR ML/LG FLAT-2W				\$21.50	\$24.50	\$3.00	13.95%				1005

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RECURRING RATES

Tariff Section/ Page # (1)	Service Description (2)	USOC (3)	Present Demand (4)	Proposed Demand (5)	Present Rate (6)	Proposed Rate (7)	\$ Change (8)	% Change (9)	Present Annual Revenue (10)	Proposed Annual Revenue (11)	Annual Revenue Change (12)	MB Seg. (13)
	RATE GROUP 5											
A3/2	BUS 1-PARTY FLAT				\$32.90	\$35.25	\$2.35	7.14%				1003
A103/1	BUS 2-PARTY FLAT				\$35.82	\$38.17	\$2.35	6.56%				1003
A3/40	BUS FLAT HTG				\$5.70	\$5.70	\$0.00	0.00%				1004
A3/23	BUS STD MESS				\$31.04	\$31.04	\$0.00	0.00%				1003
A3/40	BUS MESS HTG				\$5.70	\$5.70	\$0.00	0.00%				1004
A3/2	BUS STD MEAS				\$35.82	\$38.17	\$2.35	6.56%				1003
A3/40	BUS MEAS HTG				\$5.70	\$5.70	\$0.00	0.00%				1004
A3/3.1	BUS PLAN LINE				\$33.00	\$35.35	\$2.35	7.12%				1003
A3/3.1	BUS PLAN LINE W/LUD				\$36.00	\$38.35	\$2.35	6.53%				1003
A3/40	BUS PLAN HTG				\$5.70	\$5.70	\$0.00	0.00%				1004
A3/60	BUS BACK-UP LINE				\$16.45	\$17.63	\$1.18	7.17%				1104
A3/43	TRK FLAT-IN				\$32.90	\$32.90	\$0.00	0.00%				1006
A3/43	TRK FLAT-OUT				\$32.90	\$35.25	\$2.35	7.14%				1006
A3/43	TRK FLAT-2W				\$32.90	\$35.25	\$2.35	7.14%				1006
A3/43	TRK DID COMBO				\$65.80	\$68.15	\$2.35	3.57%				1006
A3/43	TRK MESS-OUT 1ST				\$31.04	\$33.39	\$2.35	7.57%				1006
A3/43	TRK MESS-OUT ADDL				\$26.04	\$28.39	\$2.35	9.02%				1006
A3/43	TRK MESS-2W 1ST				\$31.04	\$33.39	\$2.35	7.57%				1006
A3/43	TRK MESS-2W ADDL				\$35.82	\$38.17	\$2.35	6.56%				1006
A3/43	TRK MEAS-IN				\$35.82	\$38.17	\$2.35	6.56%				1006
A3/43	TRK MEAS-OUT				\$33.00	\$33.00	\$0.00	0.00%				1006
A3/43	TRK MEAS-2W				\$33.00	\$35.35	\$2.35	7.12%				1006
A3/43.1	TRK PLAN IN				\$33.00	\$35.35	\$2.35	7.12%				1006
A3/43.1	TRK PLAN OUT				\$36.00	\$38.35	\$2.35	6.53%				1006
A3/43.1	TRK PLAN 2W				\$33.00	\$35.35	\$2.35	7.12%				1006
A3/43.1	TRK PLAN 2W W/LUD				\$36.00	\$38.35	\$2.35	6.53%				1006
A3/36	NAR ESSX FLAT-IN				\$21.50	\$21.50	\$0.00	0.00%				1005
A3/36	NAR ESSX FLAT-OUT				\$21.50	\$21.50	\$0.00	0.00%				1005
A3/36	NAR ESSX FLAT-2W				\$21.50	\$21.50	\$0.00	0.00%				1005
A3/36.0.1	NAR ESSX PLAN IN				\$10.00	\$10.00	\$0.00	0.00%				1005
A3/36.0.1	NAR ESSX PLAN IN W/LUD				\$10.00	\$10.00	\$0.00	0.00%				1005
A3/36.0.1	NAR ESSX PLAN OUT				\$10.00	\$10.00	\$0.00	0.00%				1005
A3/36.0.1	NAR ESSX PLAN OUT W/LUD				\$13.00	\$13.00	\$0.00	0.00%				1005
A3/36.0.1	NAR ESSX PLAN 2W				\$10.00	\$10.00	\$0.00	0.00%				1005
A3/36.0.1	NAR ESSX PLAN 2W W/LUD				\$13.00	\$13.00	\$0.00	0.00%				1005
A111/5	NAR ESSX-1/SPL FLAT-IN				\$32.90	\$32.90	\$0.00	0.00%				1005
A111/5	NAR ESSX-1/SPL FLAT-OUT				\$32.90	\$35.25	\$2.35	7.14%				1005
A111/5	NAR ESSX-1/SPL FLAT-2W				\$21.50	\$21.50	\$0.00	0.00%				1005
A3/36	NAR ML/LG FLAT-IN				\$23.85	\$23.85	\$0.00	0.00%				1005
A3/36	NAR ML/LG FLAT-OUT				\$43.00	\$45.35	\$2.35	5.47%				1005
A3/36	NAR DID COMBO				\$43.00	\$45.35	\$2.35	5.47%				1005

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	EXCEPTION EXCHANGES											
A3/2	BUS 1-PARTY FLAT		\$32.90	\$35.90	\$32.90	\$35.90	\$3.00	9.12%	\$3.00	\$3.00	9.12%	1003
A103/1	BUS 2-PARTY FLAT		\$26.86	\$29.86	\$26.86	\$29.86	\$3.00	11.17%	\$3.00	\$3.00	11.17%	1003
A3/40	BUS FLAT HTG		\$10.00	\$10.00	\$10.00	\$10.00	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1004
A3/40	BUS MESS HTG		\$10.00	\$10.00	\$10.00	\$10.00	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1004
A3/40	BUS MEAS HTG		\$10.00	\$10.00	\$10.00	\$10.00	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1004
A3/3.1	BUS PLAN LINE		\$29.70	\$32.70	\$29.70	\$32.70	\$3.00	10.10%	\$3.00	\$3.00	10.10%	1003
A3/3.1	BUS PLAN LINE W/LUD		\$32.70	\$35.70	\$32.70	\$35.70	\$3.00	9.17%	\$3.00	\$3.00	9.17%	1003
A3/40	BUS PLAN HTG		\$10.00	\$10.00	\$10.00	\$10.00	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1004
A3/60	BUS BACK-UP LINE		\$16.45	\$17.95	\$16.45	\$17.95	\$1.50	9.12%	\$1.50	\$1.50	9.12%	1104
A3/43	TRK FLAT- IN		\$32.90	\$32.90	\$32.90	\$32.90	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1006
A3/43	TRK FLAT- OUT		\$32.90	\$32.90	\$32.90	\$32.90	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1006
A3/43	TRK FLAT- 2W		\$32.90	\$35.90	\$32.90	\$35.90	\$3.00	9.12%	\$3.00	\$3.00	9.12%	1006
A3/43	TRK DID COMBO		\$65.80	\$68.80	\$65.80	\$68.80	\$3.00	4.56%	\$3.00	\$3.00	4.56%	1006
A3/43.1	TRK MESS-OUT 1ST		\$20.77	\$23.77	\$20.77	\$23.77	\$3.00	14.44%	\$3.00	\$3.00	14.44%	1006
A3/43.1	TRK MESS-OUT ADDL		\$15.77	\$18.77	\$15.77	\$18.77	\$3.00	19.02%	\$3.00	\$3.00	19.02%	1006
A3/43.1	TRK MESS- 2W 1ST		\$20.77	\$23.77	\$20.77	\$23.77	\$3.00	14.44%	\$3.00	\$3.00	14.44%	1006
A3/43.1	TRK MESS- 2W ADDL		\$15.77	\$18.77	\$15.77	\$18.77	\$3.00	19.02%	\$3.00	\$3.00	19.02%	1006
A3/43.1	TRK PLAN IN		\$29.70	\$29.70	\$29.70	\$29.70	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1006
A3/43.1	TRK PLAN OUT		\$29.70	\$29.70	\$29.70	\$29.70	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1006
A3/43.1	TRK PLAN OUT W/LUD		\$32.70	\$35.70	\$32.70	\$35.70	\$3.00	10.10%	\$3.00	\$3.00	10.10%	1006
A3/43.1	TRK PLAN 2W		\$29.70	\$32.70	\$29.70	\$32.70	\$3.00	10.10%	\$3.00	\$3.00	10.10%	1006
A3/43.1	TRK PLAN 2W W/LUD		\$32.70	\$35.70	\$32.70	\$35.70	\$3.00	9.17%	\$3.00	\$3.00	9.17%	1006
A3/36	NAR ESSX FLAT- IN		\$21.50	\$21.50	\$21.50	\$21.50	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1005
A3/36	NAR ESSX FLAT- OUT		\$21.50	\$21.50	\$21.50	\$21.50	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1005
A3/36	NAR ESSX FLAT- 2W		\$21.50	\$21.50	\$21.50	\$21.50	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1005
A3/36.0.1	NAR ESSX PLAN IN		\$10.00	\$10.00	\$10.00	\$10.00	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1005
A3/36.0.1	NAR ESSX PLAN IN W/LUD		\$10.00	\$10.00	\$10.00	\$10.00	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1005
A3/36.0.1	NAR ESSX PLAN OUT		\$10.00	\$10.00	\$10.00	\$10.00	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1005
A3/36.0.1	NAR ESSX PLAN OUT W/LUD		\$10.00	\$10.00	\$10.00	\$10.00	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1005
A3/36.0.1	NAR ESSX PLAN 2W		\$10.00	\$10.00	\$10.00	\$10.00	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1005
A3/36.0.1	NAR ESSX PLAN 2W W/LUD		\$13.00	\$13.00	\$13.00	\$13.00	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1005
A111/5	NAR ESSX-1/SPL FLAT- IN		\$32.90	\$32.90	\$32.90	\$32.90	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1005
A111/5	NAR ESSX-1/SPL FLAT- OUT		\$32.90	\$32.90	\$32.90	\$32.90	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1005
A111/5	NAR ESSX-1/SPL FLAT- 2W		\$32.90	\$35.90	\$32.90	\$35.90	\$3.00	9.12%	\$3.00	\$3.00	9.12%	1005
A3/36	NAR ML/LG FLAT- IN		\$21.50	\$21.50	\$21.50	\$21.50	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1005
A3/36	NAR ML/LG FLAT- OUT		\$21.50	\$21.50	\$21.50	\$21.50	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1005
A3/36	NAR ML/LG FLAT- 2W		\$43.00	\$46.00	\$43.00	\$46.00	\$3.00	6.98%	\$3.00	\$3.00	6.98%	1005
A3/36	NAR ML/LG FLAT- 2W		\$21.50	\$24.50	\$21.50	\$24.50	\$3.00	13.95%	\$3.00	\$3.00	13.95%	1005
A3/57.1	NAR ML/LG VU MEAS- IN		\$25.00	\$25.00	\$25.00	\$25.00	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1005
A3/57.1	NAR ML/LG VU MEAS- OUT		\$25.00	\$25.00	\$25.00	\$25.00	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1005
A3/57.1	NAR ML/LG VU MEAS- 2W		\$25.00	\$28.00	\$25.00	\$28.00	\$3.00	12.00%	\$3.00	\$3.00	12.00%	1005
A3/57.1	NAR ML/LG MEAS IN - ESSX		\$25.00	\$25.00	\$25.00	\$25.00	\$0.00	0.00%	\$0.00	\$0.00	0.00%	1005

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Tariff Section/ Page #	Service Description	USOC	Present Demand	Proposed Demand	Present Rate	Proposed Rate	\$ Change	% Change	Present Annual Revenue	Proposed Annual Revenue	Annual Revenue Change	MB Seg.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
A3/57.1	NAR ML/LG MEAS OUT - ESSX				\$25.00	\$25.00	\$0.00	0.00%				1005
A3/57.1	NAR ML/LG MEAS 2W - ESSX				\$25.00	\$25.00	\$0.00	0.00%				1005
A3/57.1	NAR ML/LG PLAN VU IN				\$25.00	\$25.00	\$0.00	0.00%				1005
A3/57.1	NAR ML/LG PLAN VU OUT				\$25.00	\$28.00	\$3.00	12.00%				1005
A3/57.2	NAR ML/LG PLAN VU 2W				\$25.00	\$28.00	\$3.00	12.00%				1005
A3/57.2	NAR ML/LG PLAN IN - ESSX				\$25.00	\$25.00	\$0.00	0.00%				1005
A3/57.2	NAR ML/LG PLAN OUT - ESSX				\$25.00	\$25.00	\$0.00	0.00%				1005
A3/57.2	NAR ML/LG PLAN 2W - ESSX				\$25.00	\$25.00	\$0.00	0.00%				1005
A3/57.1	NAS ML/LG TRK IN				\$49.28	\$49.28	\$0.00	0.00%				1006
A3/57.1	NAS ML/LG TRK OUT				\$49.28	\$49.28	\$0.00	0.00%				1006
A3/57.1	NAS ML/LG TRK 2W				\$49.28	\$49.28	\$0.00	0.00%				1006
A3/57.1	NAS ML/LG PLAN TRK IN				\$49.28	\$49.28	\$0.00	0.00%				1006
A3/57.3	NAS ML/LG PLAN TRK OUT				\$49.28	\$49.28	\$0.00	0.00%				1006
A3/36	NAR MULTISERV PLUS FLAT 2W				\$21.50	\$21.50	\$0.00	0.00%				1005
A3/36	NAR MULTISERV PLUS FLAT OUT				\$21.50	\$21.50	\$0.00	0.00%				1005
A3/36.1	NAR MULTISERV PLUS FLAT IN				\$10.00	\$10.00	\$0.00	0.00%				1005
A3/36.1	NAR MULTISERV PLUS MEAS 2W				\$10.00	\$10.00	\$0.00	0.00%				1005
A3/36.1	NAR MULTISERV PLUS MEAS OUT				\$10.00	\$10.00	\$0.00	0.00%				1005
A7/8	COCOT-FLAT				\$28.83	\$28.83	\$0.00	0.00%				3001
A103/2	JU BUS FLAT				\$7.99	\$10.99	\$3.00	37.55%				1015
A103/2	JU BUS MEAS				\$7.99	\$8.99	\$1.00	12.50%				1015
A103/3	JU TKS FLAT				\$5.19	\$8.19	\$3.00	57.80%				1015
A103/3	JU TKS MESS				\$5.99	\$8.99	\$3.00	50.08%				1015
A103/3	JU TKS MEAS				\$2.08	\$5.08	\$3.00	144.23%				1015
A103/3	JU HOTEL MESS				\$2.40	\$5.40	\$3.00	125.00%				1015
A103/3	JU HOTEL MEAS				\$32.90	\$35.90	\$3.00	9.12%				2024
A13/9	TOLL TERM				\$21.39	\$21.39	\$0.00	0.00%				1529
A13/43	PUB ANN				\$10.00	\$10.00	\$0.00	0.00%				1004
A13/40	PUB ANN HYG				\$32.90	\$35.90	\$3.00	9.12%				1016
A13/29	911 ACCESS				\$94.60	\$94.60	\$0.00	0.00%				1511
A9/3	FX BUS LINES - FLAT				\$32.90	\$35.90	\$3.00	9.12%				2054
A29/1.3	DIAL DATA ACCESS				\$60.00	\$60.00	\$0.00	0.00%				1007
A3/58	TRUNK SIDE ACCESS FACILITY EXCEPTION EXCHANGES											

TOTAL \$98,968,255

\$105,710,502

\$6,742,246

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TOTAL REVENUES

	Present Annual Revenue (1)	Proposed Annual Revenue (2)	Annual Revenue Change (3)
SUB-TOTALS			
Recurring	\$98,968,255	\$105,710,502	\$6,742,246
Non-recurring	\$0	\$0	\$0
SECTION TOTALS	\$98,968,255	\$105,710,502	\$6,742,246

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TOTAL REVENUES SUMMED BY MARKET BASKET

M B Segment (1)	Service Description (2)	Present Annual Revenue (3)	Proposed Annual Revenue (4)	Annual Revenue Change (5)
1001	FLAT RATE RESIDENTIAL	#REF!	#REF!	#REF!
1002	RESIDENTIAL (MEASURED, MESSAGE, EXPANDED CALLING PLANS)	#REF!	#REF!	#REF!
1003	BUSINESS	\$71,274,746	\$77,277,006	\$6,002,260
1004	GROUPING SERVICE	\$8,462,908	\$8,462,908	\$0
1005	NETWORK ACCESS REGISTERS	\$4,502,405	\$4,641,577	\$139,172
1006	TRUNK LINES	\$9,198,813	\$9,745,653	\$546,840
1007	TRUNK SIDE ACCESS FACILITY	\$0	\$0	\$0
1015	JOINT USER SERVICE	\$1,532	\$2,005	\$473
1016	EMERGENCY REPORTING NETWORK SERVICES	\$4,256	\$4,652	\$396
1104	BACK-UP LINE	\$443,240	\$480,457	\$37,216
1511	FOREIGN EXCHANGE AND FOREIGN C.O. SERVICE - KY	\$407,537	\$407,537	\$0
1529	ANNOUNCEMENT FACILITIES - KY	\$42,340	\$42,340	\$0
1576	ISDN INDIVIDUAL SERVICES - RESIDENTIAL AND BUSINESS - KY	#REF!	#REF!	#REF!
2024	TOLL TRUNKS (TOLL TERMINALS)	\$181,982	\$197,590	\$15,607
2054	DATA TRANSPORT SERVICE ACCESS CHANNEL SERVICE	\$3,948	\$4,230	\$282
3001	ACCESS LINE SVC FOR CUST. PROVIDED TELEPHONE	\$4,444,548	\$4,444,548	\$0

State: Kentucky
 Docket 99-434
 Present and Proposed Rates and Revenues
 A013 MISCELLANEOUS SERVICE ARRANGEMENTS
 Develop Date : 06/00
 Page : 27 of 29
 Run Date : 08/31/00

RECURRING RATES

Tariff Section/ Page # (1)	Service Description (2)	USOC (3)	Present Demand (4)	Proposed Demand (5)	Present Rate (6)	Proposed Rate (7)	\$ Change (8)	% Change (9)	Present Annual Revenue (10)	Proposed Annual Revenue (11)	Annual Revenue Change (12)	MB Seg. (13)
A13/1	A013.02.03 TOUCH-TONE CALLING SERVICE											
	BUS, PER LINE OR TRUNK	TTB			\$3.00	\$0.00	(\$3.00)	-100.00%				1011
	PSP, RG 1-4	TTB			\$3.00	\$3.00	\$0.00	0.00%				1011
	PSP, RG 5	TTB			\$3.00	\$2.35	(\$0.65)	-21.67%				1011
A13/	PBX C O TRUNK/TRUNK	TJB			\$3.00	\$0.00	(\$3.00)	-100.00%				1011
A13/	CPE PBX TRUNK/TRUNK	TT2			\$3.00	\$0.00	(\$3.00)	-100.00%				1011
	A013.02.03 TOUCH-TONE CALLING SERVICE											
	TOTAL								\$7,636,212	\$420,760	(\$7,215,452)	

SUBTOTAL

State: Kentucky
 Docket 99-434

Present and Proposed Rates and Revenues
 A013 MISCELLANEOUS SERVICE ARRANGEMENTS

Develop Date : 06/00
 Page : 28 of 29
 Run Date : 08/31/00

TOTAL REVENUES

	Present Annual Revenue (1)	Proposed Annual Revenue (2)	Annual Revenue Change (3)
SUB-TOTALS			
Recurring	\$7,636,212	\$420,760	(\$7,215,452)
Non-recurring	\$0	\$0	\$0
SECTION TOTALS	\$7,636,212	\$420,760	(\$7,215,452)

State: Kentucky
 Docket 99-434

Present and Proposed Rates and Revenues
 A013 MISCELLANEOUS SERVICE ARRANGEMENTS

Develop Date : 06/00
 Page : 29 of 29
 Run Date : 08/31/00

TOTAL REVENUES SUMMED BY MARKET BASKET

M B Segment (1)	Service Description (2)	Present Annual Revenue (3)	Proposed Annual Revenue (4)	Annual Revenue Change (5)
1011	TOUCH-TONE CALLING SERVICE	\$7,636,212	\$420,760	(\$7,215,452)

Payphone Service Provider charges for blocking and screening today range from \$2.00 to \$4.00 depending on the option selected. This proposal includes a reduction to \$0.90 regardless of option selected . The revenue effect of this reduction is (\$178,136) as reflected in the attached priceout.

State: Kentucky
 Docket 99-434
 Present and Proposed Rates and Revenues
 A007 COIN TELEPHONE SERVICE
 Develop Date : 06/00
 Page : 24 of 29
 Run Date : 08/28/00

RECURRING RATES

Tariff Section/ Page # (1)	Service Description (2)	USOC (3)	Present Demand (4)	Proposed Demand (5)	Present Rate (6)	Proposed Rate (7)	\$ Change (8)	% Change (9)	Present Annual Revenue (10)	Proposed Annual Revenue (11)	Annual Revenue Change (12)	MB Seg. (13)
	A007.04.05 COCOT ACCESS LINE SERVICE											
A7/8	UNRESTRCTD, OUT, EACH	1ZY			\$2.00	\$0.90	(\$1.10)	-55.00%				3001
A7/8	UNRESTRCTD, 2-WAY, EACH	1Z2			\$2.00	\$0.90	(\$1.10)	-55.00%				3001
A7/8	RESTRCTD, OUT, EACH	1Z3			\$4.00	\$0.90	(\$3.10)	-77.50%				3001
A7/8	RESTRCTD, 2-WAY, EACH	1Z5			\$4.00	\$0.90	(\$3.10)	-77.50%				3001
A7/8	RESTRCTD, OUT, EACH	13D			\$3.00	\$0.90	(\$2.10)	-70.00%				3001
A7/8	RESTRCTD, 2-WAY, EACH	13E			\$3.00	\$0.90	(\$2.10)	-70.00%				3001
A7/8	RESTRCTD, 2-WAY, EACH	13R			\$2.00	\$0.90	(\$1.10)	-55.00%				3001
	A007.04.05 COCOT ACCESS LINE SERVICE								\$315,048	\$136,912	(\$178,136)	
	TOTAL								\$315,048	\$136,912	(\$178,136)	

Private/Proprietary: No disclosure outside BELL SOUTH except under written agreement.

State: Kentucky
 Docket 99-434

Present and Proposed Rates and Revenues
 A007 COIN TELEPHONE SERVICE

Develop Date : 06/00
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TOTAL REVENUES

	Present Annual Revenue (1)	Proposed Annual Revenue (2)	Annual Revenue Change (3)
SUB-TOTALS			
Recurring	\$315,048	\$136,912	(\$178,136)
Non-recurring	\$0	\$0	\$0
SECTION TOTALS	\$315,048	\$136,912	(\$178,136)

State: Kentucky
 Docket 99-434

Present and Proposed Rates and Revenues
 A007 COIN TELEPHONE SERVICE

Develop Date : 06/00
 Page : 26 of 29
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TOTAL REVENUES SUMMED BY MARKET BASKET

M B Segment (1)	Service Description (2)	Present Annual Revenue (3)	Proposed Annual Revenue (4)	Annual Revenue Change (5)
3001	ACCESS LINE SVC FOR CUST. PROVIDED TELEPHONE	\$315,048	\$136,912	(\$178,136)

Elimination of Non Traffic Sensitive Revenue Requirement (NTSRR).

The elimination of this requirement reduces revenue (\$7,533,347) per the attached priceout. The priceout reflects that NTSRR was reduced by (\$372,801) to offset the per use increases filed August 1, 2000 and approved by the Commission in its order in Case 94-121 on August 29, 2000. In that same order the Commission required that the offset to the per use rate increase be taken from some service in the non-competitive category. The Company believes that the result included here is consistent with the Commission's order. Consider the following:

	PER PSC ORDER	PER COMPANY PROPOSAL
per use increase	\$ 372,801	\$ 372,802
NTSRR last 12 months	\$ 14,676,548	\$ 14,676,548
8/1 decrease	\$ (6,608,667)	\$ (6,608,667)
8/1/ decrease	\$ (161,733)	\$ (161,733)
9/1/ decrease		\$ (372,801)
TT reduction	\$ (372,801)	
1 RESIDENTIAL INCREASE	\$ 5,785,029	\$ 5,785,029
2 MTS INCREASE	\$ 2,380,609	\$ 2,380,610
3 ELIMINATE NTSRR	\$ (7,906,148)	\$ (7,533,347)
4 REDUCE SCREENING & BLOCKING	\$ (178,136)	\$ (178,135)
5 TT reduction to balance effects	\$ (81,354)	\$ (454,157)
6 total of lines 1 - 5	\$0.00	\$0.00

NTSRR actual billing

	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	Jan-00	Feb-00	Mar-00	Apr-00	May-00	Jun-00	Jul-00
Annual Revenue Requirement	\$66,668,000.00	\$66,668,000.00	\$66,668,000.00	\$66,668,000.00	\$66,668,000.00	\$66,668,000.00	\$66,668,000.00	\$66,668,000.00	\$66,668,000.00	\$66,668,000.00	\$66,668,000.00	\$66,668,000.00
Bell Portion of annual requirement	\$12,453,727.04	\$12,483,299.58	\$12,140,434.22	\$11,401,650.63	\$11,485,015.94	\$13,599,680.39	\$13,886,024.36	\$15,194,420.75	\$13,879,309.50	\$13,064,986.73	\$13,506,257.79	\$13,574,445.42
Bell Annual Reduction Amount	\$4,296,386.00	\$4,296,386.00	\$4,296,386.00	\$4,296,386.00	\$4,296,386.00	\$4,296,386.00	\$4,296,386.00	\$4,296,386.00	\$4,296,386.00	\$4,296,386.00	\$4,296,386.00	\$4,296,386.00
Adjusted Annual Bell Portion	\$8,157,341.04	\$8,186,913.58	\$7,844,048.22	\$7,105,264.63	\$7,188,629.94	\$9,303,294.39	\$9,589,638.36	\$10,898,034.75	\$9,582,923.50	\$8,768,600.73	\$9,209,871.79	\$9,278,059.42
IXC Portion of annual requirement	\$54,214,272.96	\$54,184,700.42	\$54,527,565.78	\$55,266,349.37	\$55,182,984.06	\$53,068,319.61	\$52,781,975.64	\$51,473,579.25	\$52,788,690.50	\$53,603,013.27	\$53,161,742.21	\$53,093,554.58
IXC Annual Reduction Amount	\$40,097,741.00	\$40,097,741.00	\$40,097,741.00	\$40,097,741.00	\$40,399,687.06	\$40,827,288.00	\$40,827,288.00	\$40,827,288.00	\$40,827,288.00	\$40,827,288.00	\$40,827,288.00	\$40,827,288.00
Adjusted Annual IXC Portion	\$14,116,531.96	\$14,086,959.42	\$14,429,824.78	\$15,168,608.37	\$14,784,297.06	\$12,241,031.61	\$11,954,687.64	\$10,646,291.25	\$11,961,402.50	\$12,775,725.27	\$12,334,454.21	\$12,266,266.58
Adjusted Monthly IXC Portion	\$1,176,377.66	\$1,173,913.29	\$1,202,485.40	\$1,264,050.70	\$1,232,024.76	\$1,020,085.97	\$996,223.97	\$887,190.94	\$996,783.54	\$1,064,643.77	\$1,027,871.18	\$1,022,188.88

IXC billing

	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	Jan-00	Feb-00	Mar-00	Apr-00	May-00	Jun-00	Jul-00	Aug-00
IXC billing	\$ 1,176,378	\$ 1,173,913	\$ 1,202,485	\$ 1,264,051	\$ 1,232,025	\$ 1,020,086	\$ 996,224	\$ 887,191	\$ 996,784	\$ 1,064,644	\$ 1,027,871	\$ 1,022,189	\$ 1,022,189
Verizon billing	\$ 114,843.78	\$ 111,088.84	\$ 108,673.73	\$ 107,676.44	\$ 161,921.51	\$ 158,066.72	\$ 169,302.35	\$ 149,891.17	\$ 133,088.41	\$ 137,823.39	\$ 138,060.56	\$ 122,271.52	

NTSRR last 12 months

8/1 decrease	\$ 13,063,840	\$ 14,676,548
9/1 decrease		\$ (6,608,667)
NTSRR residual		\$ (161,733)
		\$ (372,801)
		\$ (7,533,347)

2000 billing from above already adjusted for Federal USF reduction

J4. RATES AND CHARGES

J4.1 Calculation of Charges for Non-Traffic Sensitive Revenue Recovery

- A. Non-Traffic Sensitive Revenue Requirement monthly charges are determined through the allocation process described in J4.2 following. The charges are based on the annual Revenue Requirements as ordered for the Company by the KPSC in Administrative Case 323. The original Revenue Requirement of \$60,507,000.00 was established by the KPSC by order in Case 90-256, Phase II, January 23, 1992. Annual Revenue Requirement changes are as follows:

Date	Change	Total
01-23-92		\$ 60,507,000
03-01-93	\$ 2,414,000	\$ 62,921,000
03-01-94	\$ 1,176,000	\$ 64,097,000
03-01-95	\$ 1,361,000	\$ 65,458,000
03-01-96	\$ 1,210,000	\$ 66,668,000
10-01-00	\$66,668,000	\$ 0

(N)

- B. Changes to the Revenue Requirement are as follows:

Date	Total Reduction	Bell	Carrier
06/01/92	\$ 6,140,000	\$ 754,035	\$ 5,385,965
12/01/92	\$ 3,637,613	\$ 547,351	\$ 3,090,262
06/01/93	\$ 3,302,788	\$ 512,000	\$ 2,790,788
07/01/93	\$ 2,239,000	\$ 275,000	\$ 1,964,000
01/01/94	\$ 2,689,000	\$ 0	\$ 2,689,000
06/01/94	\$ 1,200,000	\$ 0	\$ 1,200,000
09/15/95	\$ 1,300,000	\$ 1,300,000	\$ 0
10/30/95	\$ 908,000	\$ 908,000	\$ 0
01/02/96	\$ 9,348,000	\$ 0	\$ 9,348,000
10/01/97	\$ 6,380	\$ 0	\$ 6,380
12/01/97	\$ 1,204,573	\$ 0	\$ 1,204,573
12/01/97	\$ 1,631,157	\$ 0	\$ 1,631,157
01/01/98	\$ 580,904	\$ 0	\$ 580,904
05/01/98	\$ 6,759	\$ 0	\$ 6,759
08/01/98	\$ 673,779	\$ 0	\$ 673,779
02/01/99	\$ 83,383	\$ 0	\$ 83,383
08/01/99	\$13,090,609	\$ 0	\$13,090,609
12/01/99	\$ 300,946	\$ 0	\$ 300,946
08/01/00	\$ 5,264,789	\$ 0	\$ 5,264,789
08/01/00	\$ 161,733	\$ 0	\$ 161,733
08/01/00	\$ 1,772,479	\$ 0	\$ 1,772,479
09/01/00	\$ 372,801	\$ 0	\$ 372,801

Date	Total Increase	Bell	Carrier
08/01/97	\$ 668,626	\$ 0	\$ 668,626
02/01/98	\$ 2,360,092	\$ 0	\$ 2,360,092
07/01/98	\$ 83,872	\$ 0	\$ 83,872
12/01/98	\$ 148,846	\$ 0	\$ 148,846
06/01/99	\$ 386,382	\$ 0	\$ 386,382

BellSouth Telecommunications, Inc.
P.O. Box 32410
Louisville, KY 40232
or
BellSouth Telecommunications, Inc.
Room 407
601 West Chestnut Street
Louisville, KY 40203

Creighton.Mershon@BellSouth.com

Creighton E. Mershon, Sr.
General Counsel-Kentucky

502 582-8219
Fax 502 582-1573

RECEIVED

JUN 21 2000

PUBLIC SERVICE
COMMISSION

June 21, 2000

Mr. Martin J. Huelsmann, Jr.
Executive Director
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602

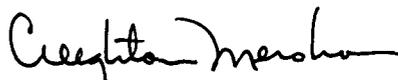
RE: Review of BellSouth Telecommunications, Inc.'s Price Regulation Plan
PSC 99-434

Dear Mr. Huelsmann:

Enclosed for filing in this case are the original and ten (10) copies of BellSouth Telecommunications, Inc.'s Responses to the Commission's Oral Data Requests made in the June 6, 2000, hearing. Attachment 1 of BellSouth's Response to Item #6 contains confidential, commercial, or proprietary information and, pursuant to 807 KAR 5:001, Section 7, enclosed is BellSouth's Confidentiality Petition.

One copy of the proprietary information is provided to the Commission. A copy of the proprietary information is provided to the Attorney General, AT&T, MCI, and Sprint pursuant to a Confidentiality Agreement signed in Case No. 94-121, Application of BellSouth Telecommunications, Inc. d/b/a South Central Bell Telephone Company to Modify its Method of Regulation. Requisite edited copies are provided for the public record.

Sincerely,


Creighton E. Mershon, Sr.

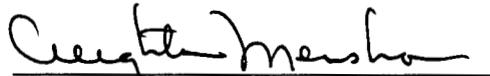
Enclosures

cc: Parties of Record

217429

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served on the individuals on the attached Service List by mailing a copy thereof, this 21st day of June 2000.



Creighton E. Mershon, Sr.

SERVICE LIST - PSC 99-434

Hon. Ann Chevront
Assistant Attorney General
1024 Capital Center Drive
Frankfort, KY. 40601 8204

Hon. James Lamoureux
AT&T COMMUNICATIONS
1200 Peachtree Street, NE
Atlanta, GA. 30309

Hon. C. Kent Hatfield
Hon. John M. Franck
Middleton & Reutlinger
2500 Brown & Williamson Tower
Louisville, KY. 40202

Hon. Susan Berlin
MCI Telecommunications Corp.
6 Concourse Parkway, Suite 3200
Atlanta, GA. 30328

William Atkinson, Esq.
Sprint Communications Co., L.P.
3100 Cumberland Circle
Atlanta, GA. 30339

Hon. John N. Hughes
Attorney at Law
124 W. Todd St.
Frankfort, KY. 40601

DeMara Madison
Regulatory Compliance
Coordinator
Cable & Wireless USA, Inc.
8219 Leesburg Pike
Vienna, VA. 22182

Mark Long
ICG Telecom Group, Inc.
Suite 202
241 John Knox Road
Tallahassee, FL 32303

Larry Barnes
Director of Regulatory Affairs
IXC Communications Svcs., Inc.
1122 Capital of Texas Hwy. South
Austin, TX. 78746

Kim Logue
Regulatory Analyst
LCI International Telecom Corp.
4250 N. Fairfax Drive
Arlington, VA. 22230 2220

Darrell Maynard
President
Southeast Telephone, LTD
106 Power Drive
Pikeville, KY. 41502 4150

Kristi Shaw
Regulatory Analyst
Teltrust Communications Services
6322 South 3000 East
Salt Lake City, UT. 84121

Walter P. Drabinski
President
Vantage Consulting, Inc.
230 Sugartown Road, Suite 110
Wayne, PA. 19087

Mr. Larry Callison
GTE
150 Rojay Drive
Lexington, KY 40503

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

REVIEW OF BELLSOUTH)
TELECOMMUNICATIONS, INC.'S) CASE NO. 99-434
PRICE REGULATION PLAN)

CONFIDENTIALITY PETITION
PURSUANT TO 807 KAR 5:001 SECTION 7

Petitioner, BellSouth Telecommunications, Inc., ("BellSouth"), hereby moves the Public Service Commission of the Commonwealth of Kentucky (the "Commission"), pursuant to KRS 61.878 and 807 KAR 5:001, §7, to classify as confidential the following described information:

Those numbers highlighted with transparent ink in Attachment 1 of BellSouth's Response to Item #6 of the Commission's Oral Data Requests made in the June 6, 2000, hearing in this case.

The information for which BellSouth seeks confidentiality is access line information and revenue data by wire center.

The Kentucky Open Records Act exempts certain commercial information from the public disclosure requirements of the Act. KRS 61.878 (1)(b). To qualify for this commercial information exemption and, therefore, keep the information confidential, a party must establish that disclosure of the commercial information would permit an unfair advantage to competitors of the party seeking confidentiality if openly disclosed. KRS

61.878 (1)(b); 807 KAR 5:001, §7. The Commission has taken the position that the statute and rules require the party to demonstrate actual competition and a likelihood of competitive injury if the information is disclosed.

In the present case, BellSouth would suffer competitive harm if the commercial information it seeks to protect were disclosed. BellSouth's competitors for local exchange services include alternate access providers and resellers. The Commission has approved interconnection and resale agreements between BellSouth and numerous other telecommunications carriers. Disclosure of this information would give BellSouth's competitors an unfair business advantage over BellSouth since they could determine where the most lucrative markets are served by BellSouth in Kentucky and focus their marketing efforts in these wire centers. This information could be used by BellSouth's competitors to market their competitive service to the detriment of BellSouth. Because of this, BellSouth's access line and revenue data should be protected from disclosure.

BellSouth recognizes that this information may be helpful to the Commission. However, to require that this information be divulged to BellSouth's competitors creates substantial unfair disadvantage to BellSouth. In addition, the Commission should accord confidential treatment to this information for the following reasons:

(1) The information as to which BellSouth is requesting confidential treatment is not known outside of BellSouth;

(2) The information is not disseminated within BellSouth and is known only by those of BellSouth's employees who have a legitimate business need to know and act upon the information;

(3) BellSouth seeks to preserve the confidentiality of this information through all appropriate means, including the maintenance of appropriate security at its offices;

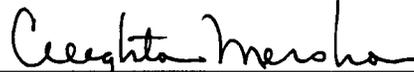
(4) The disclosure of this information would cause competitive injury to BellSouth in that it would provide BellSouth's competitors with sensitive financial data with respect to certain of BellSouth's services; and

(5) By granting BellSouth's petition, there would be no damage to any public interest in disclosure. In fact, the public would be best served by non-disclosure because competition would thereby be promoted.

For these reasons, the Commission should grant BellSouth's request for confidential treatment of the access line and revenue

data highlighted with transparent ink in Attachment 1 of
BellSouth's Response to Item #6 of the Commission's Oral Data
Requests made in the June 6, 2000, hearing in this case.

Respectfully submitted,



Creighton E. Mershon, Sr.
601 W. Chestnut Street, Room 407
P. O. Box 32410
Louisville, KY 40232
502-582-8219

R. Douglas Lackey
Bennett L. Ross
A. Langley Kitchings
Suite 4300, BellSouth Center
675 W. Peachtree Street, N.E.
Atlanta, GA 30375
404-335-0765

COUNSEL FOR BELLSOUTH
TELECOMMUNICATIONS, INC.

217425

BellSouth Telecommunications, Inc.
KPSC Case No. 99-434
Oral Requests Made at Hearing
June 6, 2000
Item No. 1
Page 1 of 1

REQUEST: Of the \$19M of rate reductions BellSouth made over the last four years, how much was in access charges?

RESPONSE: The access charge reductions associated with the four annual filings were as follows:

1996 Annual Filing	\$11,969
1997 Annual Filing	\$1,722,000
1998 Annual Filing	\$607,330
1999 Annual Filing	<u>\$11,952,609</u>
Total	\$14,314,908

There have been other access charge changes as a result of the Plan's mirroring requirement as well as decreases in access charges used to offset increases in other rates. All of these effects are not included in the above.

REQUEST: How much would it cost to deploy broadband capability in 100% of BellSouth's central offices?

RESPONSE:

Broadband Capital Investment for Central Offices serving % of BellSouth Kentucky Access Lines		
Percentage	Incremental Amount Above Proposed Plan	Total Capital Investment
Proposed Plan (~75%)	\$ -	\$ 15,977,344
100%	\$ 72,945,133	\$ 88,922,477

The average line size of central offices representing the remaining 25% of BellSouth Kentucky access lines is small thereby requiring a significant quantity of broadband equipment and investment to equip central offices serving the remaining 25% of access lines. This is the reason why the capital investment to equip central offices serving 100% of BellSouth Kentucky access lines is so high.

BellSouth Telecommunications, Inc.
KPSC Case No. 99-434
Oral Requests Made at Hearing
June 6, 2000
Item No. 3
Page 1 of 1

REQUEST: What kind of time schedule would be required for 100% deployment?

RESPONSE: Please see the response to Item No. 2 for the amount of investment required for 100% deployment.

Due to the number of central offices involved and the extremely large investment required to equip those offices, it is difficult to estimate a time frame for total deployment. A deployment schedule would hinge on numerous factors including dollars available for investment, other demands for those same dollars, the cost and availability of evolving technology, available manpower, and vendor scheduling.

BellSouth Telecommunications, Inc.
KPSC Case No. 99-434
Oral Requests Made at Hearing
June 6, 2000
Item No. 4
Page 1 of 1

REQUEST: Please provide a list of counties and wirecenters in the 75% deployment plan.

RESPONSE: Please see the attached list of counties and the map showing the proposed deployment plan.

BellSouth Transition Regulation Plan
Proposed Infrastructure Deployment
(Sort by County)

County No.	County	Wire Center	GLLI Codes	Deployment Year	KREDA County	KCTCS Location
1	Anderson	LAWRENCEBURG	LRBGKYMA	2002		Y
2	Bell	MIDDLESBORO	MDBOKYMA	2001	Y	Y
3	Bourbon	PARIS	PARSKYMA	2002		
4	Boyle	DANVILLE	DAVLKYMA	2001		Y
5	Calloway	MURRAY	MRRYKYMA	2001		
6	Carroll	CARROLLTON	CRTNKYMA	2002		Y
7	Christian	HOPKINSVILLE	HPVLKYMA	2000		Y
	Christian	OAK GROVE	OKGVKYES	2001		Y
8	Clark	WINCHESTER	WNCHKYMA	2000		
9	Daviess	OWENSBORO	OWBOKYMA	2000		Y
10	Floyd	PRESTONSBURG	PRBGKYES	2002	Y	Y
11	Franklin	FRANKFORT-EAST	FRFTKYES	2002		
	Franklin	FRANKFORT-MAIN	FRFTKYMA	2000		
12	Graves	MAYFIELD	MYFDKYMA	2001	Y	
13	Hardin	ROSE TERRACE	RSTRKYES	2002		Y
14	Harlan	HARLAN	HRLNKYMA	2002	Y	Y
15	Henderson	HENDERSON	HNSNKYMA	2000		Y
16	Hopkins	MADISONVILLE	MDVIKYMA	2000	Y	Y
17	Johnson	PAINTSVILLE	PNVLKYMA	2001	Y	Y
18	Letcher	WHITESBURG	WHBGKYMA	2002	Y	Y
19	Madison	RICHMOND	RCMDKYMA	2000		
20	Marshall	BENTON	BNTNKYMA	2002	Y	
21	McCracken	PADUCAH-LONE OAK	PDCHKYLO	2001		Y
	McCracken	PADUCAH-MAIN	PDCHKYMA	2000		Y
	McCracken	PADUCAH-REIDLAND	PDCHKYRL	2002		Y
22	Mercer	HARRODSBURG	HDBGKYMA	2002		
23	Montgomery	MOUNT STERLING	MTSTKYMA	2001		
24	Muhlenberg	GREENVILLE	GNVLKYMA	2002	Y	Y
25	Nelson	BARDSTOWN	BRTWKYES	2002	Y	
26	Pike	PIKEVILLE-MAIN	PKVLKYMA	2000	Y	Y
27	Scott	GEORGETOWN	GRTWKYMA	2002		
28	Shelby	SHELBYVILLE	SHVLKYMA	2001		
29	Simpson	FRANKLIN	FKLNKYMA	2002		
30	Warren	BOWLING GREEN	BWLGKYMA	2000		Y
31	Whitley	CORBIN	CRBNKYMA	2001	Y	

BellSouth Telecommunications, Inc.
KPSC Case No. 99-434
Oral Requests Made at Hearing
June 6, 2000
Item No. 5
Page 1 of 1

REQUEST: Please provide a matrix of service objectives required by Commissions in the nine BellSouth states.

RESPONSE: Please see attached.

PSC Service Standards

<u>Installation</u>	AL @ (PR)	FL	GA	KY	LA	MS (PR)	NC	SC	TN
Regular Orders Within 3 Days		90%							
Regular Orders Within 5 Days			85%	90%			90%	85%	75%
<3000 lines									85%
>3000 lines									
Orders Requiring Construction-Within 30 days		95%	85%						
Appointments Offered Within 5 Days					xx				
Appointments/Commitments Met		95%	90%		xx		95%	85%	90%
Held Applications - Over 30 Days	.015%						.1%		
Held Applications - Over 6 Months		xx							
Residential Regrades Completed Within 5 days				90%			99%		
Regrades Completed Within 30 Days									100%
Regrades Completed Within 60 Days		xx							
<u>Maintenance</u>									
Trouble Reports per 100 Lines	2.43	6.0	6.0	8.0	xx	3.0	4.75		
<3000									9.5
3000-14000									6.5
>14000									6.0
<7500								7.0	
>7500								5.0	
By Exchange						**			
Wire Centers With Trouble Reports Rates >5%	1					**			
Repeat Trouble Reports Per 100 Lines		20%					1.0		
Out of Service - Cleared Within 24 Hours		95%		85%	xx		95%	85%	
Out of Service - Cleared Within 36 Hours	72%					75%			
Service Affecting - Within 72 Hours		95%							
Repair Appointments Met		95%							
Average Duration - Special Services Complex					xx				xx
<u>Customer Services</u>									
Commission Complaints/Cust Appeals					xx				
Business Office Calls Answered <20 Seconds		80%	90%				90%		
Operator Services									
Average Speed of Answer				8 sec					
Intercept Calls Answered < 20 Seconds									
Directory Calls Answered < 10 Seconds			90%				85%		85%
Directory Calls Answered < 20 Seconds		90%	90%						
Directory Calls Answered < 30 Seconds								80%	
Toll/Asst Calls Answered < 10 Seconds		90%	90%				90%	90%	90%
Repair Service Average Speed of Answer				20sc					
Repair Service Speed of Answer < 20 sec.			90%				90%	90%	
Repair Service Speed of Answer < 30 sec.		90%							
Public Pay Stations Out-of Order							10%		
<u>Switched/Switching</u>									
Dial Tone Within 3 Seconds		95%	98%	95%				98%	98%
Local Calls Comp W/O Blocking			97%				99%		97%
Local InterOffice Calls Comp W/O Blocking		95%		95%			98%		
Toll/IEC Calls Completed Without Blocking		95%	97%	97%					
DDD Calls - Without Blocking		97%					95%		98%
EAS Transmission Loss Between 2 - 10 db							95%		98%
Toll Transmission Loss Between 3 - 12 db							95%		
EAS Trunks Noise 30 dbrnc or less							95%		
Toll Trunks Noise 33 dbrnc or less							95%		
<u>EXCEL Measurements</u>									
Overall EXCEL Measurements				**					
Customer Satisfaction - Consumer					xx	94%			
Customer Satisfaction - Small Business						96.5			

PR Measurements established in Price Regulation Plan.

** Provided as information only to the Commission.

xx There is no established objective for these measurements. Our earnings, however, are tied to results.

@ Alabama is reported as 12 month rolling average.

REQUEST: Please provide a worksheet showing how the \$32M USF number was calculated.

RESPONSE: The attached spreadsheet shows the derivation of the new UNE deaveraged rates referenced on line 17, page 3, of Steve Rausch's testimony. The cost per access line, shown in Column D on pages 1-3 of the spreadsheet, were derived by subtracting \$.35 for Local Number Portability from the cost produced by the January run of the Hybrid Cost Proxy Model. The Local Number Portability cost is recovered through a line item charge.

The access lines in columns E, F, and G of the spreadsheet, and the residence and business revenue in columns I and J, were provided by the BellSouth Pricing group in Headquarters.

The data in Columns A through J on sheets 1-3 were accumulated based on the rate group of each wirecenter, so that:

UNEZONE 1 = Rate Group 5
UNEZONE 2 = Rate Groups 3, 4, and 4.5 (Exception Rate Group)
UNEZONE 3 = Rate Groups 1 and 2

The development of the deaveraged loop prices is shown on page 4, lines 11-13, and development of the cost for the "package" of UNEs is shown on lines 1-7.

The UNE "package" rates were compared to the average revenues in the individual wirecenters. If the UNE "package" rate was higher than the average revenue, a support requirement was calculated. Federal support was subtracted from the calculated support requirements, and if an amount remained, it was multiplied by the number of access lines, and then by 12, to get an annualized support requirement. The results of these calculations are shown in columns L-Q on pages 1-3 of the spreadsheet. The total requirement of \$32,735,662 is shown on page 3, line 197. This is the amount referenced in Mr. Rausch's testimony on page 6, line 18.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
	CLL	RI GRP	denalty	cost/al	res	other	total	total	res rev	bus rev		UNE rate	Residual revenue	Support Requirement	Federal Support	final per line support	annual support required
17	WSPNKYMA	5	341.33	\$ 40.39								\$ 23.71	\$ 31.44	\$ -	\$ 0.12	\$ -	
18	LGRNKYES	5	123.35	\$ 33.17								\$ 23.71	\$ 33.70	\$ -	\$ 0.03	\$ -	
19	LSVLKYHA	5	271.41	\$ 28.84								\$ 23.71	\$ 31.99	\$ -	\$ -	\$ -	
20	LSVLKYCW	5	369.72	\$ 28.18								\$ 23.71	\$ 32.54	\$ -	\$ -	\$ -	
21	LSVLKYC	5	1000.92	\$ 25.08								\$ 23.71	\$ 30.79	\$ -	\$ -	\$ -	
22	LSVLKYFC	5	1401.01	\$ 24.31								\$ 23.71	\$ 31.68	\$ -	\$ -	\$ -	
23	LSVLKYVS	5	1172.69	\$ 23.44								\$ 23.71	\$ 32.51	\$ -	\$ -	\$ -	
24	LSVLKYJT	5	2544.04	\$ 21.60								\$ 23.71	\$ 32.30	\$ -	\$ -	\$ -	
25	LSVLKYAN	5	1764.70	\$ 21.87								\$ 23.71	\$ 33.26	\$ -	\$ -	\$ -	
26	LSVLKYSH	5	2123.95	\$ 21.46								\$ 23.71	\$ 34.47	\$ -	\$ -	\$ -	
27	LSVLKYOA	5	2594.14	\$ 21.08								\$ 23.71	\$ 33.20	\$ -	\$ -	\$ -	
28	LSVLKYBE	5	2971.80	\$ 20.84								\$ 23.71	\$ 38.68	\$ -	\$ -	\$ -	
29	LSVLKY28	5	2865.99	\$ 20.27								\$ 23.71	\$ 31.99	\$ -	\$ -	\$ -	
30	LSVLKYWE	5	2801.13	\$ 19.79								\$ 23.71	\$ 32.34	\$ -	\$ -	\$ -	
31	LSVLKYSL	5	4178.49	\$ 19.98								\$ 23.71	\$ 31.42	\$ -	\$ -	\$ -	
32	LSVLKYBR	5	3782.53	\$ 19.61								\$ 23.71	\$ 32.40	\$ -	\$ -	\$ -	
33	LSVLKYSM	5	2971.80	\$ 20.84								\$ 23.71	\$ 32.85	\$ -	\$ -	\$ -	
34	LSVLKYTS	5	4164.88	\$ 19.31								\$ 23.71	\$ 35.29	\$ -	\$ -	\$ -	
35	LSVLKYAP	5	1077.58	\$ 16.13								\$ 23.71	\$ 33.28	\$ -	\$ 0.87	\$ -	
36	SOVLKYMA	4.5	16.14	\$ 98.51								\$ 29.90	\$ 31.62	\$ -	\$ -	\$ -	
37	STGRKYMA	4.5	34.84	\$ 58.94								\$ 29.90	\$ 32.82	\$ -	\$ -	\$ -	
38	GRTWKYMA	4.5	994.74	\$ 28.64								\$ 29.90	\$ 29.77	\$ -	\$ -	\$ -	
39	OKGVKYES	4	681.22	\$ 30.08								\$ 29.90	\$ 30.96	\$ -	\$ -	\$ -	
40	LFYTKYMA	3	5.39	\$ 142.39								\$ 29.90	\$ 38.67	\$ -	\$ -	\$ -	
41	KKVLKYMA	3	12.55	\$ 109.70								\$ 29.90	\$ 32.82	\$ -	\$ -	\$ -	
42	BLSPKYMA	3	8.39	\$ 108.61								\$ 29.90	\$ 29.77	\$ -	\$ -	\$ -	
43	GRACKYMA	3	8.56	\$ 95.81								\$ 29.90	\$ 30.96	\$ -	\$ -	\$ -	
44	PNBRKYMA	3	18.31	\$ 84.58								\$ 29.90	\$ 33.58	\$ -	\$ 0.84	\$ -	
45	FORDKYMA	3	36.37	\$ 80.54								\$ 29.90	\$ 30.47	\$ -	\$ 0.69	\$ -	
46	BWLGRYR	3	17.10	\$ 80.58								\$ 29.90	\$ 31.71	\$ -	\$ 0.64	\$ -	
47	SRGHKYMA	3	17.82	\$ 80.10								\$ 29.90	\$ 31.78	\$ -	\$ 0.64	\$ -	
48	LUTICKYMA	3	15.74	\$ 78.49								\$ 29.90	\$ 27.81	\$ -	\$ 0.63	\$ 1.46	8,208
49	WLVLYKYMA	3	17.85	\$ 76.20								\$ 29.90	\$ 31.69	\$ -	\$ 0.61	\$ -	
50	COTNKYMA	3	16.09	\$ 72.74								\$ 29.90	\$ 31.56	\$ -	\$ 0.59	\$ -	
51	STNLKYMA	3	14.49	\$ 70.43								\$ 29.90	\$ 32.99	\$ -	\$ 0.54	\$ -	
52	PKVLKYMT	3	19.49	\$ 67.03								\$ 29.90	\$ 30.34	\$ -	\$ 0.51	\$ -	
53	PNTHKYMA	3	16.40	\$ 66.52								\$ 29.90	\$ 35.61	\$ -	\$ 0.48	\$ -	
54	WACOKYMA	3	16.82	\$ 65.81								\$ 29.90	\$ 30.57	\$ -	\$ 0.46	\$ -	
55	PLRGKYMA	3	21.82	\$ 63.41								\$ 29.90	\$ 31.72	\$ -	\$ 0.45	\$ -	
56	WHLVKYMA	3	28.41	\$ 63.17								\$ 29.90	\$ 31.17	\$ -	\$ 0.42	\$ -	
57	PDCHKYIP	3	52.49	\$ 56.00								\$ 29.90	\$ 30.22	\$ -	\$ 0.41	\$ -	
58	MACKEYMA	3	35.59	\$ 56.72								\$ 29.90	\$ 29.15	\$ 0.75	\$ 0.39	\$ 0.42	2,754
59	HABTKYMA	3	42.94	\$ 52.15								\$ 29.90	\$ 30.73	\$ -	\$ 0.35	\$ -	
60	ENSIRKYMA	3	83.48	\$ 52.08								\$ 29.90	\$ 31.04	\$ -	\$ 0.27	\$ -	
61	PDCHKYPL	3	243.40	\$ 38.52								\$ 29.90	\$ 30.84	\$ -	\$ 0.27	\$ -	
62	PKVLKYMA	3	709.25	\$ 34.85								\$ 29.90	\$ 30.00	\$ -	\$ 0.10	\$ -	
63	RSTRKYES	3	58.84	\$ 33.80								\$ 29.90	\$ 34.03	\$ -	\$ 0.05	\$ -	
64	PDCHKYLO	3	433.23	\$ 32.05								\$ 29.90	\$ 33.27	\$ -	\$ 0.03	\$ -	
65	RCMDKYMA	3	1599.29	\$ 29.25								\$ 29.90	\$ 31.57	\$ -	\$ 0.01	\$ -	
66	HPVLKYMA	3	1131.64	\$ 27.69								\$ 29.90	\$ 30.89	\$ -	\$ -	\$ -	
67	BWLGRYMA	3	1377.59	\$ 26.76								\$ 29.90	\$ 31.95	\$ -	\$ -	\$ -	
68	FRFTKYMA	3	2095.47	\$ 26.55								\$ 29.90	\$ 30.48	\$ -	\$ -	\$ -	
69	FRFTKYES	3	1573.71	\$ 25.72								\$ 29.90	\$ 29.58	\$ 0.32	\$ -	\$ -	23,408
70	OWBOKYMA	3	1633.78	\$ 23.72								\$ 29.90	\$ 29.20	\$ 0.70	\$ -	\$ -	245,089
71	PDCHKYMA	3	1616.47	\$ 22.71								\$ 29.90	\$ 30.87	\$ -	\$ -	\$ -	
72	WNCWKYIP	2	12.39	\$ 101.94								\$ 38.45	\$ 32.07	\$ 6.38	\$ 0.92	\$ 5.46	23,003
73	NEBOKYMA	2	9.99	\$ 87.72								\$ 38.45	\$ 31.55	\$ 6.89	\$ 0.73	\$ 6.16	82,396
74	HBLVKYMA	2	16.78	\$ 80.21								\$ 38.45	\$ 30.35	\$ 8.09	\$ 0.63	\$ 7.46	51,640
75	RBRDKYMA	2	16.23	\$ 83.66								\$ 38.45	\$ 32.03	\$ 6.42	\$ 0.68	\$ 5.74	48,186
76	STCHKYMA	2	9.15	\$ 73.13								\$ 38.45	\$ 28.32	\$ 10.12	\$ 0.54	\$ 8.58	38,550
77	CYDKYMA	2	332.75	\$ 69.58								\$ 38.45	\$ 31.35	\$ 7.10	\$ 0.50	\$ 6.60	116,850
78	PDCKKYES	2	27.55	\$ 61.70								\$ 38.45	\$ 34.77	\$ 3.68	\$ 0.40	\$ 3.28	111,999

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
	CLLU	RI GRP	density	cost/al	res	other	total	total	res rev	bus rev		LINE rate	Residential revenue	Support Requirement	Federal Support	final per line support	annual support required
79	MCWLKYMA	2	36.67	\$ 60.40								\$ 38.45	\$ 32.10	\$ 6.34	\$ 0.41	\$ 5.93	86,807
80	HANSKYMA	2	33.71	\$ 62.40								\$ 38.45	\$ 30.24	\$ 8.21	\$ 0.38	\$ 7.83	91,960
81	WYLDKYES	2	36.65	\$ 61.62								\$ 38.45	\$ 30.78	\$ 7.66	\$ 0.39	\$ 7.27	135,246
82	ELCVKYES	2	304.72	\$ 57.31								\$ 38.45	\$ 34.37	\$ 4.08	\$ 0.34	\$ 3.74	107,087
83	MRRPKYMA	2	94.36	\$ 54.15								\$ 38.45	\$ 27.87	\$ 10.78	\$ 0.30	\$ 10.48	58,462
84	WIRPKYMA	2	47.71	\$ 53.79								\$ 38.45	\$ 33.02	\$ 5.43	\$ 0.29	\$ 5.14	208,238
85	WLBGKYMA	2	562.60	\$ 51.27								\$ 38.45	\$ 31.16	\$ 5.58	\$ 0.26	\$ 5.32	379,309
86	ALLNKYMA	2	67.71	\$ 52.04								\$ 38.45	\$ 32.37	\$ 6.08	\$ 0.24	\$ 5.83	165,882
87	MARTKYMA	2	137.19	\$ 48.13								\$ 38.45	\$ 33.58	\$ 4.86	\$ 0.22	\$ 4.65	101,843
88	SWSNKYMA	2	154.31	\$ 45.40								\$ 38.45	\$ 28.82	\$ 9.62	\$ 0.18	\$ 9.44	127,314
89	NRVLKYMA	2	187.28	\$ 43.40								\$ 38.45	\$ 30.37	\$ 8.08	\$ 0.16	\$ 7.92	191,416
90	DWSPKYES	2	819.31	\$ 38.13								\$ 38.45	\$ 30.80	\$ 7.65	\$ 0.09	\$ 7.56	272,849
91	PBBGKYES	2	903.55	\$ 34.31								\$ 38.45	\$ 31.40	\$ 7.05	\$ 0.04	\$ 7.01	424,095
92	CRBNKYMA	2	89.63	\$ 32.91								\$ 38.45	\$ 31.92	\$ 6.53	\$ 0.02	\$ 6.50	68,135
93	MRTNKYMA	2	1358.51	\$ 31.26								\$ 38.45	\$ 28.99	\$ 9.46	\$ 0.00	\$ 9.45	1,693,809
94	MRRKYMA	2	880.10	\$ 29.40								\$ 38.45	\$ 29.35	\$ 9.09	\$ 0.00	\$ 9.09	981,499
95	WDBOKYMA	2	1313.85	\$ 28.30								\$ 38.45	\$ 29.44	\$ 9.01	\$ 0.00	\$ 9.01	1,272,109
96	WNCBKYMA	2	884.98	\$ 28.46								\$ 38.45	\$ 30.26	\$ 8.19	\$ 0.00	\$ 8.19	1,532,797
97	HNSKYMA	2	510.30	\$ 27.52								\$ 38.45	\$ 28.64	\$ 9.81	\$ 0.00	\$ 9.81	812,072
98	MYFDKYMA	2	837.58	\$ 118.54								\$ 38.45	\$ 30.41	\$ 8.03	\$ 0.00	\$ 8.03	1,027,483
99	MDVKYMA	2	10.92	\$ 119.88								\$ 38.45	\$ 30.35	\$ 8.10	\$ 1.15	\$ 6.95	54,597
100	WSBGKYMA	1	12.69	\$ 118.54								\$ 38.45	\$ 29.04	\$ 9.40	\$ 1.13	\$ 8.27	30,476
101	AURPKYMA	1	9.83	\$ 109.35								\$ 38.45	\$ 28.70	\$ 9.75	\$ 1.01	\$ 8.73	43,604
102	PTRYKYMA	1	9.05	\$ 106.33								\$ 38.45	\$ 30.04	\$ 8.40	\$ 0.97	\$ 7.43	63,495
103	SLGHRKYMA	1	10.56	\$ 105.13								\$ 38.45	\$ 30.85	\$ 7.51	\$ 0.96	\$ 6.56	47,747
104	MTEDKYMA	1	8.04	\$ 101.25								\$ 38.45	\$ 30.93	\$ 7.51	\$ 0.97	\$ 6.56	47,747
105	FDVLKYMA	1	8.75	\$ 97.53								\$ 38.45	\$ 30.63	\$ 7.81	\$ 0.91	\$ 6.91	84,217
106	SHVKYMA	1	10.64	\$ 99.28								\$ 38.45	\$ 32.14	\$ 6.31	\$ 0.88	\$ 5.45	42,879
107	MCDNKYMA	1	11.31	\$ 98.06								\$ 38.45	\$ 27.53	\$ 10.82	\$ 0.88	\$ 10.04	134,035
108	BGDDKYMA	1	12.91	\$ 95.14								\$ 38.45	\$ 30.43	\$ 8.02	\$ 0.87	\$ 7.15	43,003
109	CHNTKYMA	1	14.63	\$ 91.16								\$ 38.45	\$ 31.87	\$ 6.58	\$ 0.83	\$ 5.75	36,029
110	WDDYKYMA	1	11.32	\$ 90.42								\$ 38.45	\$ 31.04	\$ 7.40	\$ 0.78	\$ 6.63	60,345
111	FRDNKYMA	1	7.21	\$ 85.13								\$ 38.45	\$ 28.54	\$ 9.91	\$ 0.77	\$ 9.14	46,728
112	TRENKYMA	1	14.32	\$ 86.83								\$ 38.45	\$ 31.15	\$ 7.30	\$ 0.70	\$ 6.60	30,004
113	CHPLKYMA	1	26.24	\$ 85.88								\$ 38.45	\$ 28.80	\$ 8.65	\$ 0.72	\$ 7.93	50,814
114	FNVLKYMA	1	31.27	\$ 84.32								\$ 38.45	\$ 31.49	\$ 6.95	\$ 0.71	\$ 6.25	47,228
115	BNLKYMA	1	12.71	\$ 77.84								\$ 38.45	\$ 29.82	\$ 8.63	\$ 0.69	\$ 7.94	32,023
116	DIXNKYMA	1	31.26	\$ 78.48								\$ 38.45	\$ 31.19	\$ 7.25	\$ 0.60	\$ 6.65	69,548
117	EMNNKYPL	1	15.04	\$ 74.44								\$ 38.45	\$ 28.91	\$ 9.54	\$ 0.61	\$ 8.93	80,861
118	SLVSKYMA	1	15.28	\$ 72.28								\$ 38.45	\$ 32.67	\$ 5.77	\$ 0.56	\$ 5.21	54,423
119	OWTNKYMA	1	9.10	\$ 72.77								\$ 38.45	\$ 31.54	\$ 6.91	\$ 0.53	\$ 6.37	215,934
120	CNTWKYMA	1	17.06	\$ 72.87								\$ 38.45	\$ 30.34	\$ 8.11	\$ 0.54	\$ 7.57	42,066
121	MUBGKYMA	1	23.97	\$ 72.80								\$ 38.45	\$ 33.29	\$ 5.16	\$ 0.54	\$ 4.62	34,999
122	HCVLKYMA	1	15.31	\$ 72.31								\$ 38.45	\$ 30.21	\$ 8.23	\$ 0.54	\$ 7.69	156,814
123	BDFPKYMA	1	20.11	\$ 68.02								\$ 38.45	\$ 31.17	\$ 7.28	\$ 0.53	\$ 6.74	109,902
124	CLHNKYMA	1	45.25	\$ 67.23								\$ 38.45	\$ 31.83	\$ 6.62	\$ 0.48	\$ 6.14	111,414
125	BYVLKYMA	1	20.70	\$ 67.88								\$ 38.45	\$ 32.30	\$ 6.14	\$ 0.47	\$ 5.68	151,138
126	BLFDKYMA	1	32.90	\$ 69.40								\$ 38.45	\$ 31.46	\$ 6.99	\$ 0.48	\$ 6.51	84,418
127	HRRBKYES	1	26.25	\$ 65.28								\$ 38.45	\$ 29.18	\$ 9.27	\$ 0.49	\$ 8.78	236,744
128	PRVLKYMA	1	15.40	\$ 66.82								\$ 38.45	\$ 30.42	\$ 8.03	\$ 0.44	\$ 7.59	98,592
129	CRBOKYMA	1	6.03	\$ 64.75								\$ 38.45	\$ 30.88	\$ 7.47	\$ 0.46	\$ 7.00	119,427
130	CNTNKYMA	1	50.84	\$ 66.18								\$ 38.45	\$ 31.34	\$ 6.91	\$ 0.43	\$ 6.68	87,740
131	WRFDKYMA	1	48.38	\$ 68.12								\$ 38.45	\$ 33.05	\$ 5.39	\$ 0.48	\$ 6.83	121,684
132	TYVLKYMA	1	128.35	\$ 64.53								\$ 38.45	\$ 31.18	\$ 7.27	\$ 0.45	\$ 4.94	140,702
133	JCSNKYMA	1	64.54	\$ 63.54								\$ 38.45	\$ 32.23	\$ 6.22	\$ 0.43	\$ 6.84	331,015
134	CRLSKYMA	1	19.51	\$ 66.04								\$ 38.45	\$ 29.41	\$ 9.04	\$ 0.42	\$ 5.80	184,808
135	MLTNKYMA	1	21.75	\$ 62.85								\$ 38.45	\$ 29.41	\$ 9.04	\$ 0.45	\$ 6.59	94,169
136	SCRNKYMA	1	22.26	\$ 60.82								\$ 38.45	\$ 28.84	\$ 9.61	\$ 0.41	\$ 9.20	76,300
137	CLTNKYES	1	34.99	\$ 65.07								\$ 38.45	\$ 30.02	\$ 8.43	\$ 0.38	\$ 8.04	153,288
138	BRMNKYMA	1	18.77	\$ 64.92								\$ 38.45	\$ 29.99	\$ 8.48	\$ 0.44	\$ 8.02	110,113
139	INEZKYMA	1										\$ 38.45	\$ 30.64	\$ 7.81	\$ 0.44	\$ 7.37	209,797

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
	CLL	RI GRP	density	cost/al	res	other	total	total	res rev	bus rev		LINE rate	Residual revenue	Support Requirement	Federal Support	final per line support	annual support required
17																	
140	MCNKYMA		12.17	59.50								\$ 38.45	\$ 29.31	\$ 9.14	\$ 0.37	\$ 8.77	162,354
141	CMBGKYMA		47.92	60.85								\$ 38.45	\$ 30.35	\$ 8.09	\$ 0.38	\$ 7.71	81,584
142	CLAYKYMA		16.69	61.12								\$ 38.45	\$ 29.68	\$ 8.76	\$ 0.39	\$ 8.38	107,038
143	MGTKYMA		39.21	56.96								\$ 38.45	\$ 32.11	\$ 6.34	\$ 0.33	\$ 6.00	261,821
144	OTHRKYMA		47.50	56.84								\$ 38.45	\$ 32.28	\$ 6.16	\$ 0.33	\$ 5.83	61,360
145	FEBRKYMA		39.77	59.07								\$ 38.45	\$ 32.69	\$ 5.76	\$ 0.36	\$ 5.40	158,613
146	NEONKYES		72.96	60.26								\$ 38.45	\$ 30.08	\$ 8.37	\$ 0.38	\$ 7.99	96,863
147	DRBCKYES		76.93	59.75								\$ 38.45	\$ 29.51	\$ 8.93	\$ 0.37	\$ 6.56	159,961
148	NWPKYMA		28.42	57.17								\$ 38.45	\$ 32.14	\$ 6.31	\$ 0.34	\$ 5.97	127,799
149	EKTKYMA		17.04	54.54								\$ 38.45	\$ 32.41	\$ 6.03	\$ 0.30	\$ 5.73	147,681
150	MARNKYMA		249.63	56.07								\$ 38.45	\$ 27.18	\$ 11.26	\$ 0.32	\$ 10.96	450,030
151	SLPHKYMA		20.98	53.58								\$ 38.45	\$ 31.86	\$ 6.58	\$ 0.29	\$ 6.29	53,300
152	PIVLKYMA		36.60	55.88								\$ 38.45	\$ 32.37	\$ 6.07	\$ 0.32	\$ 5.75	365,308
153	CLPTKYMA		150.80	55.14								\$ 38.45	\$ 28.56	\$ 9.88	\$ 0.31	\$ 9.57	65,566
154	EMNKYES		63.63	54.90								\$ 38.45	\$ 30.10	\$ 8.35	\$ 0.30	\$ 8.04	307,601
155	CADZKYMA		33.78	53.31								\$ 38.45	\$ 29.97	\$ 8.48	\$ 0.29	\$ 8.19	358,724
156	WLCKYES		40.85	53.56								\$ 38.45	\$ 30.40	\$ 8.04	\$ 0.29	\$ 7.75	162,284
157	SEBRKYMA		38.74	53.88								\$ 38.45	\$ 29.32	\$ 9.13	\$ 0.29	\$ 8.83	85,428
158	WHBQKYMA		108.20	52.16								\$ 38.45	\$ 32.33	\$ 6.12	\$ 0.27	\$ 5.84	379,222
159	ISLDKYMA		16.89	50.94								\$ 38.45	\$ 30.17	\$ 8.28	\$ 0.28	\$ 8.02	41,092
160	STRGKYMA		138.23	52.04								\$ 38.45	\$ 29.38	\$ 9.07	\$ 0.27	\$ 8.80	268,390
161	EDVLKYMA		40.19	52.85								\$ 38.45	\$ 27.18	\$ 11.26	\$ 0.28	\$ 10.88	393,052
162	VMRKYMA		57.45	52.38								\$ 38.45	\$ 29.89	\$ 8.56	\$ 0.27	\$ 8.29	99,124
163	CYNTKYMA		1024.05	51.32								\$ 38.45	\$ 32.55	\$ 5.90	\$ 0.26	\$ 5.64	437,862
164	SPEDKYMA		429.71	48.59								\$ 38.45	\$ 30.26	\$ 8.19	\$ 0.23	\$ 7.96	207,840
165	HFEKYMA		344.37	49.16								\$ 38.45	\$ 31.16	\$ 7.29	\$ 0.23	\$ 7.06	201,820
166	STRFKYMA		436.99	48.73								\$ 38.45	\$ 30.49	\$ 7.96	\$ 0.24	\$ 7.72	389,680
167	BGNKYMA		28.83	49.94								\$ 38.45	\$ 30.61	\$ 7.84	\$ 0.24	\$ 7.59	91,935
168	STONKYMA		59.50	50.40								\$ 38.45	\$ 31.85	\$ 6.60	\$ 0.25	\$ 6.35	195,743
169	SNTNKYMA		86.47	47.62								\$ 38.45	\$ 32.95	\$ 5.49	\$ 0.21	\$ 5.28	224,866
170	PRTKYES		200.37	45.78								\$ 38.45	\$ 30.26	\$ 8.19	\$ 0.26	\$ 7.96	207,840
171	SSVLKYMA		65.39	45.90								\$ 38.45	\$ 30.97	\$ 7.47	\$ 0.19	\$ 10.66	636,821
172	BVDMKYMA		147.38	45.27								\$ 38.45	\$ 30.94	\$ 7.47	\$ 0.19	\$ 10.66	636,821
173	LBTKYMA		284.22	45.19								\$ 38.45	\$ 30.40	\$ 8.04	\$ 0.18	\$ 7.32	320,031
174	MGFDKYMA		300.25	44.58								\$ 38.45	\$ 30.53	\$ 7.92	\$ 0.17	\$ 7.86	155,273
175	JNCKYMA		220.46	45.43								\$ 38.45	\$ 29.40	\$ 9.05	\$ 0.18	\$ 8.86	169,688
176	FLTKYMA		1042.96	43.72								\$ 38.45	\$ 27.74	\$ 10.71	\$ 0.16	\$ 10.54	531,530
177	GBVLKYMA		46.34	45.34								\$ 38.45	\$ 29.83	\$ 8.61	\$ 0.18	\$ 8.43	161,118
178	GNVLKYMA		383.79	42.81								\$ 38.45	\$ 28.97	\$ 9.48	\$ 0.15	\$ 9.33	629,251
179	BNTNKYMA		359.47	42.38								\$ 38.45	\$ 28.87	\$ 9.58	\$ 0.15	\$ 8.83	667,157
180	LRBQKYMA		487.81	38.99								\$ 38.45	\$ 30.73	\$ 7.71	\$ 0.10	\$ 7.61	605,685
181	HLNKYMA		678.91	39.05								\$ 38.45	\$ 30.54	\$ 7.90	\$ 0.10	\$ 7.80	446,888
182	PRVQKYMA		151.45	38.81								\$ 38.45	\$ 28.04	\$ 9.40	\$ 0.10	\$ 9.30	225,200
183	CRNKYMA		159.23	38.31								\$ 38.45	\$ 30.68	\$ 7.78	\$ 0.09	\$ 7.67	268,813
184	RLVLKYMA		58.86	36.56								\$ 38.45	\$ 28.98	\$ 9.45	\$ 0.07	\$ 9.38	661,105
185	MTSTKYMA		862.25	36.76								\$ 38.45	\$ 31.01	\$ 7.43	\$ 0.07	\$ 7.36	899,881
186	FKLNKYMA		256.16	36.41								\$ 38.45	\$ 31.37	\$ 7.07	\$ 0.07	\$ 7.01	522,343
187	PARSKYMA		840.85	36.16								\$ 38.45	\$ 30.56	\$ 7.88	\$ 0.06	\$ 7.82	606,635
188	LOUSYES		451.97	36.24								\$ 38.45	\$ 28.86	\$ 9.58	\$ 0.07	\$ 9.52	245,367
189	CNCYKYMA		345.21	35.92								\$ 38.45	\$ 28.88	\$ 9.47	\$ 0.06	\$ 9.41	386,678
190	PWVLKYMA		953.91	34.19								\$ 38.45	\$ 29.83	\$ 8.61	\$ 0.04	\$ 8.57	519,674
191	HDBQKYMA		621.82	33.39								\$ 38.45	\$ 30.98	\$ 7.48	\$ 0.03	\$ 7.44	551,857
192	BRTWKYES		620.24	33.47								\$ 38.45	\$ 31.99	\$ 6.45	\$ 0.03	\$ 6.43	726,869
193	SHVLKYMA		1105.89	28.73								\$ 38.45	\$ 28.70	\$ 8.75	\$ 0.03	\$ 8.75	704,530
194	DAVLKYMA		401.52	27.15								\$ 38.45	\$ 28.28	\$ 10.17	\$ 0.03	\$ 10.17	974,291
195	MYVLKYMA		2160.53	26.19								\$ 38.45	\$ 28.10	\$ 9.35	\$ 0.03	\$ 9.35	467,266
196																	
197																	
198																	
TOTAL SUPPORT																32,735,662	
865561 462854 1348435 \$ 41,638,547 30.88																	

	A	B	C	D	E	F	G	H	I	J	K
1		zone 1	zone 2	zone 3		Non-recurring Charges		first	additional	25/75 weight	
2		\$ 13.54	\$ 19.73	\$ 28.28		UNE Loop & NID		70.44	44.05		
3		\$ 2.61	\$ 2.61	\$ 2.61		UNE Port		24.98	24.98		
4		\$ 5.46	\$ 5.46	\$ 5.46							
5		\$ 2.10	\$ 2.10	\$ 2.10		Total non-recurring		95.42	69.03	75.6275	
6		\$ -	\$ -	\$ -		3 year loc life/mo				\$ 2.10	
7		\$ 23.71	\$ 29.90	\$ 38.45							
8											
9	Approved UNE loop & NID rate	\$ 20.00									
10		cumulative cost	cum acc ins	cost/acc ln	prorate %	UNE loop rate					
11	UNE ZONE 1	\$ 12,229,851	584,853	\$ 20.91	67.72%	\$ 13.54					
12	UNE ZONE 2	\$ 9,070,351	297,704	\$ 30.47	98.67%	\$ 19.73					
13	UNE ZONE 3	\$ 20,338,346	465,878	\$ 43.66	141.38%	\$ 28.28					
14		\$ 41,638,547	1,348,435	\$ 30.88							

REQUEST: Please provide a worksheet showing how the \$28M USF number was calculated.

RESPONSE: BellSouth filed comments dated February 3, 2000 in Administrative Case 360. In those comments, at page 9, BST determines the assessment percentage required to collect the intrastate universal service fund from intrastate end user revenues, as follows:

Step 1: Total intrastate end user revenues for Kentucky from the *State-By-State Telephone Revenue and Universal Service Data*, January 2000, Table 2.17, Published by the FCC (copy attached) \$1.492B

Step 2: USF total requirement taken from Attachment 1 to the comments. The attachment is extracted from the wcsupport.xls file generated by the FCC in January 2000 using the Hybrid cost Proxy Model (HCPM)	<table border="0"> <thead> <tr> <th style="text-align: left;"><u>Company</u></th> <th style="text-align: left;"><u>Dollars</u></th> </tr> </thead> <tbody> <tr> <td>CBT</td> <td>\$5,072,739</td> </tr> <tr> <td>GTE</td> <td>\$24,781,709</td> </tr> <tr> <td>BST</td> <td><u>\$61,359,001</u></td> </tr> <tr> <td>Total</td> <td><u>\$91,213,449</u></td> </tr> </tbody> </table>	<u>Company</u>	<u>Dollars</u>	CBT	\$5,072,739	GTE	\$24,781,709	BST	<u>\$61,359,001</u>	Total	<u>\$91,213,449</u>
<u>Company</u>	<u>Dollars</u>										
CBT	\$5,072,739										
GTE	\$24,781,709										
BST	<u>\$61,359,001</u>										
Total	<u>\$91,213,449</u>										

Step 3: $\$.91B / \$1.492B =$ 6.1%

At page 11 of the comments, BST's net receipts from the USF are determined as follows:

Step 4: BST's estimated intrastate end user revenues are determined (see attached spreadsheet). \$541M

Step 5: BST's payment to the USF ($\$541M \times 6.1\% =$) \$33M

Step 6: BST's net receipts from the USF ($\$61M$ from Step 2 - $\$33M =$) \$28M



BellSouth Telecommunications, Inc. 502 582-8219
P. O. Box 32410 Fax 502 582-1573
Louisville, Kentucky 40232 Internet
or Creighton.E.Mershon@bridge.bellsouth.com
BellSouth Telecommunications, Inc.
601 West Chestnut Street, Room 407
Louisville, Kentucky 40203

Creighton E. Mershon, Sr.
General Counsel - Kentucky

February 3, 2000

Mr. Martin J. Huelsmann, Jr.
Executive Director
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602

Re: An Inquiry Into Universal Service and Funding Issues
Administrative Case No. 360

Dear Mr. Huelsmann:

Enclosed for filing in the above-captioned case are the original and ten (10) copies of Comments of BellSouth Telecommunications, Inc.

Parties of Record on Service List B are served with a copy of this letter only.

Sincerely,

Creighton E. Mershon, Sr.

Enclosure

cc: Parties of Record

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INQUIRY INTO UNIVERSAL) ADMINISTRATIVE
SERVICE AND FUNDING ISSUES) CASE NO. 360

COMMENTS OF BELLSOUTH TELECOMMUNICATIONS, INC.

In its December 10, 1999, Order in this case, the Kentucky Public Service Commission ("Commission") requested comments and suggestions on the tentative proposals specified in the Order and other proposals necessary to conclude the establishment of the Kentucky Intrastate Universal Service Fund ("KY USF"). BellSouth Telecommunications ("BellSouth") respectfully submits the following comments and proposals regarding the establishment of the KY USF.

Cost Model and Inputs

The Commission requested comments regarding a universal service cost model and appropriate inputs. The Commission recognized that the FCC adopted a synthesis model, the Hybrid Cost Proxy Model ("HCPM"), as the platform for the forward-looking mechanism to calculate high cost support for non-rural carriers.¹ This decision was the first step in the FCC's move away from (1) the selection of either the Benchmark Cost Proxy Model ("BCPM") or the Hatfield Model ("HAF") model for calculating support and (2) the adoption of the state filed cost studies and inputs² for calculating federal

¹ Fifth Report and Order, CC Docket No. 96-45, October 28, 1998.

² Report and Order, CC Docket No. 96-45, May 8, 1997, para. 26. Public Notice, Released July 27, 1997, DA Number 97-1501. Public Notice Released August 7, 1997, CC Docket Nos. 96-45 and 97-160, DA 97-1677.

universal service support.³ BellSouth agrees with the Commission that the FCC's recent orders on universal service⁴ provide good cause for the Commission to reevaluate universal service in Kentucky.

In regards to calculating universal service support, BellSouth continues to believe that the BCPM model is the best model for calculating universal service costs. However, when offered a choice between the HAI and the HCPM, BellSouth believes the HCPM to be far superior to the HAI. BellSouth has reviewed the results of the HCPM runs for Kentucky, and it tentatively agrees with the Commission's finding that the new federal universal service platform appears to produce results that represent a viable starting point for intrastate universal service purposes. However, BellSouth would caution the Commission against using the FCC's model for any other purpose, specifically as the basis for establishing rates for unbundled network elements ("UNE"). Indeed, in October 1998 when the FCC selected the model platform for calculating non-rural carriers' forward-looking costs, the FCC emphatically stated in its Fifth Report and Order:

"... Moreover, we note that the selection of the synthesis platform is based solely on our evaluation of its performance for determining non-rural carriers forwarding looking costs for universal service purposes. We have not evaluated it for any other purpose." (para. 12)

The FCC clearly articulated that it has not evaluated the HCPM cost model platform for any other purposes but universal service. Subsequently, the FCC is on the public record stating that they have not made any determinations as to whether nationwide values would be appropriate for purposes other than determining federal universal service

³ However, the HCPM includes aspects of both the BCPM and the HAI Models.

⁴ Ninth Report and Order and Eighteenth Order on Reconsideration, CC Docket No. 96-45, November 2, 1999 and Tenth Report and Order, CC Docket No. 97-160, November 2, 1999.

support.⁵ Finally, and most recently, the FCC reiterated in its Tenth Report and Order, dated November 2, 1999, the purpose for which it evaluated and approved the HCPM and nationwide inputs:

32. For universal service purposes, we find that using nationwide averages is appropriate. The Commission has not considered what type of input values, company-specific or nationwide, nor what specific input values, would be appropriate for any other purposes. The federal cost model was developed for the purpose of determining federal universal service support, and it may not be appropriate to use nationwide values for other purposes, such as determining prices for unbundled network elements. We caution parties from making any claims in other proceedings based upon the input values we adopt in this Order.

The FCC is clear that the HCPM was not evaluated for any other purpose than universal service. Therefore, the public record in the FCC universal service dockets does not support the adoption of HCPM results for UNE costs.

Based on (1) the Commission's desire to use the same model as the FCC for universal service, (2) the Commission's belief that the HCPM produces reasonable results when calculating universal service costs, and (3) in an effort to provide an expeditious closure to the establishment of a high-cost universal service plan for Kentucky, BellSouth recommends that the Commission adopt the HCPM and national inputs as approved by the FCC to calculate universal service support for the KY USF. In so doing, the Commission can quickly move forward in the establishment of an intrastate universal service fund without undergoing continued debate over the appropriate model platform and input values. Such an approach should also help harmonize the federal and state universal service programs for Kentucky.

⁵ Further Notice of Proposed Rulemaking, CC Docket No. 97-160, May 28, 1999, para 22.

Like many parties to the federal docket,⁶ BellSouth has been concerned over the use of HCPM for universal service costing and more importantly for UNE calculations. Since the FCC's adoption of the HCPM for universal service costing, BellSouth and other parties have made numerous filings expressing concerns over the model platform and the national input values. The FCC has repeatedly, on a bimonthly basis at least, modified the model and input values. Even though the model needs additional verification and may undergo more changes in 2000,⁷ BellSouth believes that the model and FCC inputs provide a viable starting point upon which this Commission can establish the KY USF. Additionally, the HCPM model and input development have not progressed in isolation to the parties in Administrative Case No. 360. Many of these same parties have filed comments and ex partes regarding this model and inputs in the federal jurisdiction.

Regarding the inputs into the model (cost of cable, labor, materials, etc.), BellSouth has stated its opposition on numerous occasions to many of the FCC recommended inputs.⁸ For instance, the inputs that the FCC proposed for cable costs, switching costs, fill factors, structure sharing, and others produce a significant understatement of BellSouth's forward-looking costs. BellSouth believes these inputs are not reasonable and bear little relationship to real world costs. However, BellSouth, in an effort to provide closure to this issue, does not object to the FCC's set of national inputs

⁶ Comments of Sprint Corporation, CC Docket No. 97-160, July 23, 1999 at page 7; Comments of U S WEST, Inc., CC Docket No. 97-160, July 23, 1999, starting at page 4; Comments of Ameritech on Further Notice of Proposed Rulemaking, CC Docket No. 97-160, July 23, 1999, at page 34; Comments of SBC Communications, Inc., CC Docket No. 97-160, July 23, 1999, at page 3; Comments of GTE, CC Docket No. 97-160, July 23, 1999, at vii; Comments of Bell Atlantic (Public Version), CC Docket No. 97-160, at page 5.

⁷ Tenth Report and Order, CC Docket No. 97-160, November 2, 1999, para. 28.

⁸ Reply Comments, BellSouth Corporation, CC Docket No. 97-160, August 6, 1999; Comments of BellSouth, CC Docket No. 97-160, July 23, 1999; Ex Parte Letter to Ms. Magalie Roman Salas from Richard M. Sbaratta dated December 16, 1998 in CC Docket No. 97-160; Ex Parte Letter to Ms. Magalie Roman Salas from Richard M. Sbaratta dated January 6, 1999 in CC Docket No. 97-160.

in order to move forward in establishing a KY USF. However, if the Commission, or any other party, prefers to propose alternative input values, BellSouth respectfully reserves the right to propose its own input values.

In both the FCC universal service docket and the Kentucky universal service docket, parties agree with some of the input values approved by the FCC and they have fought adoption of other input values. With the exception of the model platform itself, parties to the FCC proceeding have had no fewer than three opportunities for comments and reply comments regarding appropriate inputs for a forward-looking universal service mechanism. Therefore, it is acceptable to BellSouth that the Commission adopt the FCC approved input values in order to expedite the establishment of a universal service fund in Kentucky.

National Cost Benchmark

The Commission also requested comments on the use of a national cost benchmark for the KY USF or whether the Commission should develop some other benchmark. The Commission has several benchmark options available. One option is to use the FCC's national cost benchmark of 135% of the average forward-looking cost as calculated by the HCPM at the wire center level. A second option would be the continued use of a revenue benchmark. However, the use of a revenue benchmark would conflict with the Commission's stated desire to use methodologies similar to the federal universal service mechanism. A third benchmark option, as advocated by BellSouth, is the use of the rate paid for universal service. Finally, the Commission could choose the

use of an affordability benchmark that would suggest that consumers can afford a certain amount for universal service.⁹

The Commission correctly pointed out that the FCC reconsidered its use of a revenue benchmark.¹⁰ The FCC adopted a recommendation from the Joint Board ("JB") on Universal Service. The JB recommended that the FCC use the *cost* of providing supported services, rather than local rates, to evaluate rate comparability, because rate setting methods and goals may vary across jurisdictions.¹¹ The use of a cost benchmark is another reasonable alternative for identifying high cost areas for purposes of universal service. Previously, BellSouth advocated that the appropriate benchmark was the rate paid for universal service - the residential basic rate, Touch-tone and the subscriber line charge. BellSouth still believes that a comparison of the cost of universal service against the universal service rate identifies the total amount of universal service support. However, since the FCC has adopted a cost benchmark and the Commission desires a program similar to the federal program, BellSouth agrees that the national cost benchmark could be used at least initially for the KY USF.

BellSouth recommends the use of the national cost benchmark initially for establishing Kentucky's USF for several reasons. First, the use of a national average cost benchmark meets the Commission's desired goal of using a methodology similar to the federal mechanism. Second, the numbers underlying the national cost benchmark have already been debated at the federal level. Also, the calculation of support using this

⁹ An affordability benchmark would not necessarily reflect current rates for universal service. If the affordability benchmark was set at a level higher than the current rate for universal service, then the Commission could use this benchmark as a target to which rates could rise over time.

¹⁰ Seventh Report and Order and Thirteenth Order on Reconsideration, CC Docket No. 96-4, para. 58

¹¹ Second Recommended Decision, CC Docket 96-45, November 25, 1998, para. 43.

method in combination with the HCPM and the FCC inputs is a simple process. Finally, use of the national cost benchmark as described in the following proposal is in line with the Commission's goal to minimize the impact on Kentucky ratepayers and the Commission's view of an appropriate fund size.

BellSouth's Proposal

For the reasons stated previously herein, BellSouth supports the Commission's proposal to calculate the Kentucky Universal Service Fund using the HCPM in conjunction with the FCC's approved inputs and the FCC's national cost benchmark of 135% of the national average cost as calculated by the HCPM at the wire center level. The KY USF would provide support to any wire center with costs above the 135 % cost benchmark. The size of the KY USF would be approximately \$91 million annually.¹² (See Attachment 1)

The Kentucky USF would be calculated as follows. The total monthly universal service support requirement for each wire center would be calculated based on the difference between the forward-looking cost as calculated by the HCPM with the FCC inputs and the national cost benchmark of \$ 31.53. Next, the monthly USF support required for the intrastate jurisdiction must be calculated. Similar to the federal mechanism, the KY USF should only cover the costs assigned to the intrastate jurisdiction.¹³ Therefore, the KY USF should cover 76% of the total amount of support

¹² This fund size represents universal service support for BellSouth, Cincinnati Bell and GTE South per the FCC methodology and calculations posted on the FCC website. It does not include Contel.

¹³ The FCC calculates that 76% of universal service costs are currently assigned to the intrastate jurisdiction in the Ninth Report and Order and Eighteenth Order on Reconsideration, CC Docket No. 96-45, November 2, 1999, para. 62, 63.

required. Any new forward-looking federal universal service support provided to the carriers for intrastate rate comparability purposes is next subtracted from this amount to arrive at the required monthly state support per line for each wire center. This per line amount is multiplied by the total number of switched lines and also by twelve to determine the total annual support for each wire center.

For example, in Attachment 1 on page 4, the HCPM calculates a total monthly cost per line (Column A) of \$63.89 for BellSouth's Wire Center CLLI Code "CRLSKYMA". Subtracting the national benchmark of \$31.53 (Column C) from this amount provides the total monthly support of \$32.36 (Column D). Next, the intrastate portion of this monthly cost must be calculated by multiplying \$32.36 by 76% or \$24.60 (Column E). This \$24.60 represents the total intrastate monthly universal service support per line for this wire center. Since the FCC provides per line universal service support to this wire center, the federal high cost per line support amount of \$0.42 (Column F) must be subtracted from this total amount to arrive at the per line amount for calculating the KY USF or \$24.18 (Column G) ($\$24.60 - \0.42). The State Total Annual Support (Column H) for this wire center is calculated by multiplying the Total Switched Lines (Column B) or 3,024 lines by the State Monthly Support (Column G) of \$24.18 and by twelve months which results in \$877,383 in Total Annual State Support (Column H).

The Commission also requested comments on the collection of monies for the fund. Since the Telecommunications Act of 1996 requires that all telecommunications providers contribute to universal service, BellSouth believes that the basis for assessments to the fund would be intrastate retail revenues. Previously in this docket, BellSouth advocated that the basis of assessment for the KY USF should be all retail end

user revenues. All retail end user revenues, both intrastate and interstate, would sufficiently broaden the assessment base thereby lowering the percent assessment which ultimately impacts the local ratepayer. However, in the interim, the Fifth Circuit Court¹⁴ has ruled that the FCC can only assess carriers based on their interstate revenues for federal universal service, which seemingly places only intrastate revenues within the Commission's jurisdiction for universal service assessment purposes. Based on an estimated assessment base of \$1.492 billion in intrastate revenues¹⁵ and an \$91 million fund, the assessment percentage would be 6.1 %.

Additionally, BellSouth recommends that the Commission modify the FCC's form 499 that is used by the FCC to determine carrier contributions to the federal USF. Instead of reporting interstate and international revenues, the carriers could report intrastate revenues. By doing so, the Commission would insure consistency in the calculation of these revenues. This standard would not only reduce the administrative burden on the administrator of the fund to verify the revenue amounts but also reduce compliance costs of the carriers.

The Commission also requested suggestions for other proposals regarding ways to reduce the incidence of rate increases. As recommended previously to this Commission, BellSouth continues to support the concept of "netting" for all LECs. Netting receipts and payments to the KY USF by the LECs would not only simplify the administration of the fund but more importantly, netting would minimize the need for LECs to impose end user surcharges on their customers.

¹⁴ *Texas Office of Public Utility Counsel v. FCC*, 183 F.3rd at 433-435 and 446-448 (5th Circuit Court Decision).

¹⁵ State-By-State Telephone Revenue and Universal Service Data, James Eisner, Industry Analysis Division, Common Carrier Bureau, Federal Communications Commission, January 2000.

The netting process works as follows. First, the LEC determines its receipts from the KY USF. Second, the LEC calculates its payments to the fund. Next, the LEC calculates its net receipts from the fund by subtracting its payments into the fund from its receipts due it from the fund or determines its net payments by subtracting its receipts from the fund from its payments into the fund. Finally, the LEC reduces intrastate rates or uses the net proceeds to make improvements in the universal service network infrastructure as provided for in section 254(e) of the Telecommunications Act of 1996 ("TA 96").¹⁶ Thus, in instances where an incumbent LEC receives net funding from the KY USF, a netting approach would minimize, if not eliminate, any new surcharge for incumbent LEC customers. If an incumbent LEC is a net payer into the KY USF, it should have the ability to recover its contribution through an end user charge or the ability to raise rates.

BellSouth disagrees with some parties who argue that the use of a voluntary netting concept does not meet the explicit nature of universal service support as specified in Section 254(e). The necessary figures used in the netting process will be detailed in the Commission's Order setting forth the Commission's selected model, benchmark and assessment. Therefore, netting is quite explicit and could hardly be argued as implicit in nature. However, to help avoid legal challenges BellSouth believes that netting should be made optional to incumbent LECs. BellSouth would voluntarily commit to use a netting approach if afforded the opportunity. This optional approach is consistent with the Fifth

¹⁶ In the case where an ILEC, does not have receive enough revenues from the KY USF to eliminate NTSRRR or is a net payer, the ILEC should not be prohibited from utilizing an end user surcharge to recover the short fall.

Circuit Court's decision. BellSouth believes that all other carriers should have the flexibility to recover their contributions in any reasonable manner.

For an example of how netting would work, BellSouth provides the following illustration. According to BellSouth's calculations in Attachment 1, it is estimated that BellSouth's draw against the KY USF will be \$61 million annually in universal service support. However, based on an explicitly defined assessment methodology (intrastate end user retail revenues) estimated at 6.1% percent, BellSouth will contribute approximately \$33 million annually to the KY USF. BellSouth's net receipts from the fund are \$28 million (\$61 M - \$33 M). A netting methodology would eliminate the need to place an end user surcharge on each customer's bill to collect the \$33 million annual amount. Netting would fulfill the Commission's goal to "dramatically" reduce the impact to individual consumers by eliminating the need for an end user surcharge. An incumbent LEC's net draw from the fund could be used to decrease implicit subsidies in intrastate rates or be spent on universal service network infrastructure as provided for in section 254(e) of TA 96.

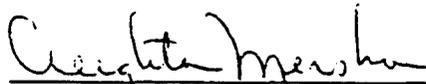
BellSouth agrees with the Commission that any receipts from the KY USF could be used to eliminate the NTSRRR. Therefore, BellSouth will target the elimination of NTSRRR with its net receipts from the fund. While this approach to the KY USF is different than that in the Company's rebalance proposal, the Company's net amount could be handled through rate rebalancing.

The Commission also requested comments on the methodology for collecting monies for the fund, i.e., flat-rated, usage based, or some combination. BellSouth recommends that the Commission allow carriers to use a flat rated charge or a percentage

charge to its customers. All carriers should have flexibility to recover their assessments in any reasonable manner. Uniform per line charges and percentage surcharges are both reasonable approaches. For BellSouth, a per line approach is much easier to implement and would likely lead to fewer customer complaints than a percentage surcharge. As discussed above, however, BellSouth recommends that the KY USF allow a netting methodology, which would significantly reduce, if not eliminate, end user surcharges for incumbent LEC customers. Such an approach would also lessen the impact on low volume consumers.

BellSouth respectfully submits this proposal for the Commission's consideration in establishing an intrastate universal service fund.

Respectfully submitted,



CREIGHTON E. MERSHON, SR.
601 W. Chestnut Street, Room 407
P. O. Box 32410
Louisville, KY 40232
(502) 582-8219

R. DOUGLAS LACKEY
J. PHILLIP CARVER
Suite 4300, BellSouth Center
675 W. Peachtree Street, N.E.
Atlanta, GA 30375
(404) 335-0710

COUNSEL FOR BELL SOUTH
TELECOMMUNICATIONS, INC.

State	Wire Center GLI Code	(A) Total Monthly Customer Lines	(B) Total Switched Lines	(C) 15% National Benchmark	(D) Total Monthly Switched Lines	(E) Monthly Switched Lines	(F) Total Monthly Switched Lines
KY	Cincinnati Bell-Ky	38.18	8,608	\$ 31.53	6.65	5.06	\$ 522,438
KY	Cincinnati Bell-Ky	73.47	1,903	\$ 31.53	41.94	31.88	\$ 621,911
KY	Cincinnati Bell-Ky	33.76	7,983	\$ 31.53	2.23	1.70	\$ 162,707
KY	Cincinnati Bell-Ky	52.39	1,418	\$ 31.53	20.86	15.86	\$ 269,827
KY	Cincinnati Bell-Ky	21.11	44,537	\$ 31.53	-	-	\$ -
KY	Cincinnati Bell-Ky	57.53	3,327	\$ 31.53	26.00	19.76	\$ 789,045
KY	Cincinnati Bell-Ky	21.82	37,706	\$ 31.53	-	-	\$ -
KY	Cincinnati Bell-Ky	24.08	20,796	\$ 31.53	-	-	\$ -
KY	Cincinnati Bell-Ky	81.87	1,196	\$ 31.53	50.34	38.26	\$ 361,926
KY	Cincinnati Bell-Ky	34.15	12,008	\$ 31.53	2.62	1.99	\$ 287,454
KY	Cincinnati Bell-Ky	22.71	26,295	\$ 31.53	-	-	\$ -
KY	Cincinnati Bell-Ky	38.80	2,770	\$ 31.53	7.27	5.53	\$ 183,780
KY	Cincinnati Bell-Ky	42.63	2,945	\$ 31.53	11.10	8.44	\$ 298,258
KY	Cincinnati Bell-Ky	51.74	6,738	\$ 31.53	20.21	15.36	\$ 1,242,213
KY	Cincinnati Bell-Ky	57.96	1,382	\$ 31.53	23.43	17.81	\$ 811,303
KY	Gte South Inc - Kentucky	54.96	3,796	\$ 31.53	-	-	\$ -
KY	Gte South Inc - Kentucky	21.48	21,726	\$ 31.53	0.33	0.25	\$ 28,628
KY	Gte South Inc - Kentucky	31.86	9,375	\$ 31.53	16.56	12.59	\$ 555,489
KY	Gte South Inc - Kentucky	48.09	3,677	\$ 31.53	85.57	65.04	\$ 118,265
KY	Gte South Inc - Kentucky	117.10	307	\$ 31.53	15.60	11.86	\$ 244,072
KY	Gte South Inc - Kentucky	47.13	1,715	\$ 31.53	26.17	19.89	\$ 305,793
KY	Gte South Inc - Kentucky	57.70	1,281	\$ 31.53	41.09	31.23	\$ 961,698
KY	Gte South Inc - Kentucky	72.62	2,566	\$ 31.53	12.58	9.56	\$ 732,715
KY	Gte South Inc - Kentucky	44.11	6,384	\$ 31.53	2.15	1.64	\$ 289,574
KY	Gte South Inc - Kentucky	33.68	14,735	\$ 31.53	4.12	3.13	\$ 144,982
KY	Gte South Inc - Kentucky	35.65	3,854	\$ 31.53	53.76	40.86	\$ 356,199
KY	Gte South Inc - Kentucky	85.29	747	\$ 31.53	-	-	\$ -
KY	Gte South Inc - Kentucky	26.11	24,081	\$ 31.53	17.31	13.16	\$ 621,697
KY	Gte South Inc - Kentucky	48.84	3,937	\$ 31.53	-	-	\$ -
KY	Gte South Inc - Kentucky	20.62	9,238	\$ 31.53	-	-	\$ -
KY	Gte South Inc - Kentucky	52.94	4,483	\$ 31.53	21.41	16.28	\$ 875,545
KY	Gte South Inc - Kentucky	62.44	4,061	\$ 31.53	30.91	23.50	\$ 1,144,972
KY	Gte South Inc - Kentucky	93.74	789	\$ 31.53	62.21	47.28	\$ 357,025
KY	Gte South Inc - Kentucky	51.02	6,229	\$ 31.53	19.49	14.82	\$ 1,107,472
KY	Gte South Inc - Kentucky	40.25	3,921	\$ 31.53	8.72	6.63	\$ 311,996
KY	Gte South Inc - Kentucky	106.61	793	\$ 31.53	75.08	57.06	\$ 329,442
KY	Gte South Inc - Kentucky	83.16	1,421	\$ 31.53	51.63	39.24	\$ 669,163

State	Wire Center	Total Monthly Cost per Line	Total Switched Lines	165% National Average	Total Monthly Cost	Total Monthly Cost per Line	Monthly	Monthly	
									(A)
KY	South Central Bell-Ky	52.54	2,002	\$ 31.53	21.01	15.97	\$ 0.27	\$ 15.70	\$ 377,159
KY	South Central Bell-Ky	118.89	307	\$ 31.53	87.36	66.40	\$ 1.13	\$ 65.27	\$ 240,441
KY	South Central Bell-Ky	72.66	1,360	\$ 31.53	41.13	31.26	\$ 0.53	\$ 30.73	\$ 501,514
KY	South Central Bell-Ky	98.44	501	\$ 31.53	66.91	50.86	\$ 0.87	\$ 49.99	\$ 300,534
KY	South Central Bell-Ky	68.23	1,135	\$ 31.53	36.70	27.90	\$ 0.48	\$ 27.42	\$ 373,468
KY	South Central Bell-Ky	106.96	678	\$ 31.53	75.43	57.33	\$ 0.98	\$ 56.35	\$ 458,496
KY	South Central Bell-Ky	84.67	341	\$ 31.53	53.14	40.39	\$ 0.69	\$ 39.70	\$ 162,461
KY	South Central Bell-Ky	42.73	6,167	\$ 31.53	11.20	8.52	\$ 0.15	\$ 8.37	\$ 619,460
KY	South Central Bell-Ky	50.29	1,082	\$ 31.53	18.76	14.26	\$ 0.24	\$ 14.02	\$ 182,015
KY	South Central Bell-Ky	65.42	1,144	\$ 31.53	33.89	25.76	\$ 0.44	\$ 25.32	\$ 347,611
KY	South Central Bell-Ky	33.82	13,001	\$ 31.53	2.29	1.74	\$ 0.03	\$ 1.71	\$ 267,462
KY	South Central Bell-Ky	45.62	4,396	\$ 31.53	14.09	10.71	\$ 0.18	\$ 10.53	\$ 555,459
KY	South Central Bell-Ky	27.11	47,334	\$ 31.53	-	-	\$ -	\$ -	\$ -
KY	South Central Bell-Ky	80.93	1,144	\$ 31.53	49.40	37.55	\$ 0.64	\$ 36.91	\$ 506,675
KY	South Central Bell-Ky	67.58	2,595	\$ 31.53	36.05	27.40	\$ 0.47	\$ 26.93	\$ 838,755
KY	South Central Bell-Ky	53.66	4,201	\$ 31.53	22.13	16.82	\$ 0.29	\$ 16.54	\$ 833,610
KY	South Central Bell-Ky	87.18	559	\$ 31.53	55.65	42.30	\$ 0.72	\$ 41.58	\$ 278,900
KY	South Central Bell-Ky	61.47	1,085	\$ 31.53	29.94	22.76	\$ 0.39	\$ 22.37	\$ 291,263
KY	South Central Bell-Ky	68.37	1,743	\$ 31.53	36.84	28.00	\$ 0.48	\$ 27.53	\$ 575,716
KY	South Central Bell-Ky	55.49	783	\$ 31.53	23.96	18.21	\$ 0.31	\$ 17.90	\$ 168,217
KY	South Central Bell-Ky	61.17	1,877	\$ 31.53	29.64	22.53	\$ 0.38	\$ 22.15	\$ 498,824
KY	South Central Bell-Ky	61.20	942	\$ 31.53	29.67	22.55	\$ 0.38	\$ 22.17	\$ 250,595
KY	South Central Bell-Ky	36.27	3,974	\$ 31.53	4.74	3.61	\$ 0.06	\$ 3.54	\$ 169,037
KY	South Central Bell-Ky	65.10	962	\$ 31.53	33.57	25.52	\$ 0.43	\$ 25.08	\$ 289,550
KY	South Central Bell-Ky	73.12	495	\$ 31.53	41.59	31.61	\$ 0.54	\$ 31.07	\$ 184,577
KY	South Central Bell-Ky	73.09	1,141	\$ 31.53	41.56	31.59	\$ 0.54	\$ 31.05	\$ 425,153
KY	South Central Bell-Ky	34.66	14,079	\$ 31.53	3.13	2.38	\$ 0.04	\$ 2.34	\$ 395,659
KY	South Central Bell-Ky	67.17	1,493	\$ 31.53	35.64	27.09	\$ 0.46	\$ 26.63	\$ 477,079
KY	South Central Bell-Ky	63.89	3,024	\$ 31.53	32.36	24.60	\$ 0.42	\$ 24.18	\$ 877,383
KY	South Central Bell-Ky	38.66	3,583	\$ 31.53	7.13	5.42	\$ 0.09	\$ 5.33	\$ 229,174
KY	South Central Bell-Ky	69.93	1,590	\$ 31.53	38.40	29.19	\$ 0.50	\$ 28.69	\$ 547,415
KY	South Central Bell-Ky	51.67	7,142	\$ 31.53	20.14	15.31	\$ 0.26	\$ 15.05	\$ 1,289,786
KY	South Central Bell-Ky	27.50	11,822	\$ 31.53	-	-	\$ -	\$ -	\$ -
KY	South Central Bell-Ky	78.19	1,186	\$ 31.53	46.66	35.47	\$ 0.60	\$ 34.86	\$ 496,145
KY	South Central Bell-Ky	60.10	1,557	\$ 31.53	28.57	21.72	\$ 0.37	\$ 21.35	\$ 398,847
KY	South Central Bell-Ky	43.75	3,314	\$ 31.53	12.22	9.29	\$ 0.16	\$ 9.13	\$ 363,186
KY	South Central Bell-Ky	53.00	3,194	\$ 31.53	21.47	16.32	\$ 0.28	\$ 16.04	\$ 614,892

State	Wire Center Cell Code	(A)		(B)		(C)		(D)		(E)		(F)		(G)	
		Total Monthly Post paid Usage	Total Monthly Switched Lines	Total Monthly Post paid Usage	Total Monthly Switched Lines	Monthly Post paid Usage	Monthly Switched Lines								
KY	South Central Bell-Ky	EKTNKYMA	54.89	2,667	\$	31.53	23.36	17.76	\$	0.30	\$	17.45	\$	558,624	
KY	South Central Bell-Ky	ELCYKYES	57.66	2,464	\$	31.53	26.13	19.86	\$	0.34	\$	19.52	\$	577,291	
KY	South Central Bell-Ky	EMNKNYES	54.85	3,570	\$	31.53	23.32	17.73	\$	0.30	\$	17.42	\$	746,484	
KY	South Central Bell-Ky	EMNKNYPL	78.81	755	\$	31.53	47.28	35.94	\$	0.61	\$	35.32	\$	320,039	
KY	South Central Bell-Ky	ENSRKYMA	52.43	1,933	\$	31.53	20.90	15.89	\$	0.27	\$	15.62	\$	362,254	
KY	South Central Bell-Ky	ERTNKYMA	33.26	939	\$	31.53	1.73	1.32	\$	0.02	\$	1.30	\$	14,604	
KY	South Central Bell-Ky	FDCKKYES	62.05	3,033	\$	31.53	30.52	23.20	\$	0.40	\$	22.80	\$	829,965	
KY	South Central Bell-Ky	FDVLKYMA	101.60	1,021	\$	31.53	70.07	53.26	\$	0.91	\$	52.35	\$	641,389	
KY	South Central Bell-Ky	FEBRKYMA	59.42	2,629	\$	31.53	27.89	21.20	\$	0.36	\$	20.84	\$	657,428	
KY	South Central Bell-Ky	FKLNKYMA	36.76	8,434	\$	31.53	5.23	3.98	\$	0.07	\$	3.91	\$	395,795	
KY	South Central Bell-Ky	FLTNKYMA	44.07	4,970	\$	31.53	12.54	9.53	\$	0.16	\$	9.37	\$	558,927	
KY	South Central Bell-Ky	FNVLKYMA	86.21	650	\$	31.53	54.68	41.56	\$	0.71	\$	40.85	\$	318,650	
KY	South Central Bell-Ky	FORDKYMA	80.89	531	\$	31.53	49.36	37.52	\$	0.64	\$	36.88	\$	234,988	
KY	South Central Bell-Ky	FRDNKYMA	90.77	428	\$	31.53	59.24	45.03	\$	0.77	\$	44.26	\$	227,315	
KY	South Central Bell-Ky	FRFTKYES	26.07	8,302	\$	31.53	-	-	\$	-	\$	-	\$	-	
KY	South Central Bell-Ky	FRFTKYMA	26.90	20,465	\$	31.53	-	-	\$	-	\$	-	\$	-	
KY	South Central Bell-Ky	GBVLKYMA	45.69	1,609	\$	31.53	14.16	10.77	\$	0.18	\$	10.58	\$	204,316	
KY	South Central Bell-Ky	GHNTKYMA	95.49	525	\$	31.53	63.96	48.61	\$	0.83	\$	47.79	\$	301,047	
KY	South Central Bell-Ky	GNVLKYMA	42.96	6,574	\$	31.53	11.43	8.69	\$	0.15	\$	8.54	\$	673,897	
KY	South Central Bell-Ky	GRACKYMA	96.16	747	\$	31.53	64.63	49.12	\$	0.84	\$	48.29	\$	432,834	
KY	South Central Bell-Ky	GRTWKYMA	28.99	13,732	\$	31.53	-	-	\$	-	\$	-	\$	-	
KY	South Central Bell-Ky	GTHRKYMA	57.19	1,045	\$	31.53	25.66	19.51	\$	0.33	\$	19.17	\$	240,430	
KY	South Central Bell-Ky	HABTKYMA	52.50	1,527	\$	31.53	20.97	15.94	\$	0.27	\$	15.67	\$	287,125	
KY	South Central Bell-Ky	HANSKYMA	60.75	1,052	\$	31.53	29.22	22.21	\$	0.38	\$	21.83	\$	275,614	
KY	South Central Bell-Ky	HBVLKYMA	80.56	693	\$	31.53	49.03	37.27	\$	0.63	\$	36.63	\$	304,629	
KY	South Central Bell-Ky	HCMNKYMA	59.85	1,833	\$	31.53	28.32	21.53	\$	0.37	\$	21.16	\$	465,440	
KY	South Central Bell-Ky	HDBGKYMA	33.74	8,588	\$	31.53	2.21	1.68	\$	0.03	\$	1.65	\$	170,517	
KY	South Central Bell-Ky	HNSNKYMA	28.81	21,712	\$	31.53	-	-	\$	-	\$	-	\$	-	
KY	South Central Bell-Ky	HPVLKYMA	28.04	22,936	\$	31.53	-	-	\$	-	\$	-	\$	-	
KY	South Central Bell-Ky	HRBGKYES	69.75	2,254	\$	31.53	38.22	29.05	\$	0.49	\$	28.56	\$	772,384	
KY	South Central Bell-Ky	HRFRKYMA	49.51	2,834	\$	31.53	17.98	13.67	\$	0.23	\$	13.44	\$	456,920	
KY	South Central Bell-Ky	HLNLKYMA	39.40	5,711	\$	31.53	7.87	5.98	\$	0.10	\$	5.88	\$	403,169	
KY	South Central Bell-Ky	HWVLKYMA	73.25	1,701	\$	31.53	41.72	31.71	\$	0.54	\$	31.17	\$	636,258	
KY	South Central Bell-Ky	INEZKYMA	65.27	2,374	\$	31.53	33.74	25.65	\$	0.44	\$	25.21	\$	718,161	
KY	South Central Bell-Ky	ISLDKYMA	51.29	493	\$	31.53	19.76	15.02	\$	0.26	\$	14.77	\$	87,352	
KY	South Central Bell-Ky	JCSNKYMA	64.88	4,528	\$	31.53	33.35	25.35	\$	0.43	\$	24.92	\$	1,353,939	
KY	South Central Bell-Ky	JNCKYMA	45.78	1,706	\$	31.53	14.25	10.83	\$	0.18	\$	10.65	\$	218,009	

State	Wire Center	Total Monthly Credit per Line	Total Switched Lines	35% National Contribution	Monthly Support			Total Monthly Support	
					(A)	(B)	(C)		
KY	South Central Bell-Ky	110.05	389	\$ 31.53	78.52	59.68	\$ 1.02	\$ 58.66	\$ 273,836
KY	South Central Bell-Ky	45.54	1,845	\$ 31.53	14.01	10.65	0.18	10.47	231,803
KY	South Central Bell-Ky	142.74	194	\$ 31.53	111.21	84.52	1.44	83.08	193,419
KY	South Central Bell-Ky	33.52	7,203	\$ 31.53	1.99	1.52	0.03	1.49	128,811
KY	South Central Bell-Ky	36.59	2,457	\$ 31.53	5.06	3.85	0.07	3.78	111,559
KY	South Central Bell-Ky	39.34	7,962	\$ 31.53	7.81	5.94	0.10	5.84	557,797
KY	South Central Bell-Ky	21.19	33,053	\$ 31.53	-	-	-	-	-
KY	South Central Bell-Ky	21.95	24,966	\$ 31.53	-	-	-	-	-
KY	South Central Bell-Ky	16.48	52,006	\$ 31.53	-	-	-	-	-
KY	South Central Bell-Ky	21.43	48,698	\$ 31.53	-	-	-	-	-
KY	South Central Bell-Ky	20.33	55,455	\$ 31.53	-	-	-	-	-
KY	South Central Bell-Ky	29.53	10,011	\$ 31.53	-	-	-	-	-
KY	South Central Bell-Ky	25.41	14,787	\$ 31.53	-	-	-	-	-
KY	South Central Bell-Ky	30.19	7,635	\$ 31.53	-	-	-	-	-
KY	South Central Bell-Ky	23.79	12,892	\$ 31.53	-	-	-	-	-
KY	South Central Bell-Ky	21.81	43,710	\$ 31.53	-	-	-	-	-
KY	South Central Bell-Ky	22.22	23,494	\$ 31.53	-	-	-	-	-
KY	South Central Bell-Ky	20.14	23,485	\$ 31.53	-	-	-	-	-
KY	South Central Bell-Ky	19.96	39,945	\$ 31.53	-	-	-	-	-
KY	South Central Bell-Ky	19.66	28,675	\$ 31.53	-	-	-	-	-
KY	South Central Bell-Ky	24.66	27,922	\$ 31.53	-	-	-	-	-
KY	South Central Bell-Ky	20.62	37,846	\$ 31.53	-	-	-	-	-
KY	South Central Bell-Ky	52.71	1,058	\$ 31.53	21.18	16.10	0.27	15.83	200,930
KY	South Central Bell-Ky	58.35	1,178	\$ 31.53	26.82	20.39	0.35	20.04	283,280
KY	South Central Bell-Ky	56.42	3,872	\$ 31.53	24.89	18.92	0.32	18.60	864,129
KY	South Central Bell-Ky	50.39	1,452	\$ 31.53	18.86	14.34	0.24	14.09	245,558
KY	South Central Bell-Ky	99.61	1,117	\$ 31.53	68.08	51.74	0.88	50.86	681,769
KY	South Central Bell-Ky	63.34	1,220	\$ 31.53	31.81	24.18	0.41	23.77	347,955
KY	South Central Bell-Ky	29.75	6,878	\$ 31.53	-	-	-	-	-
KY	South Central Bell-Ky	27.87	15,264	\$ 31.53	-	-	-	-	-
KY	South Central Bell-Ky	44.93	3,275	\$ 31.53	13.40	10.19	0.17	10.01	393,556
KY	South Central Bell-Ky	57.31	4,583	\$ 31.53	25.78	19.60	0.33	19.26	1,059,371
KY	South Central Bell-Ky	73.02	657	\$ 31.53	41.49	31.54	0.54	31.00	244,396
KY	South Central Bell-Ky	66.39	914	\$ 31.53	34.86	26.50	0.45	26.05	285,672
KY	South Central Bell-Ky	54.50	468	\$ 31.53	22.97	17.46	0.30	17.16	96,390
KY	South Central Bell-Ky	31.61	12,600	\$ 31.53	0.08	0.06	0.00	0.06	9,583
KY	South Central Bell-Ky	105.48	613	\$ 31.53	73.95	56.21	0.96	55.25	406,407

KY	South Central Bell-Ky	W/	(A) Total		(B) Total		(C) Total		(D) Total		0.07	4.17	\$	513,679
			Monthly	Rate	Monthly	Rate	Monthly	Rate	Monthly	Rate				
KY	South Central Bell-Ky	MTSTKYMA	37.11	10,260	\$	31.53	5.58	4.24	\$	0.07	\$	4.17	\$	513,679
KY	South Central Bell-Ky	MYFDKYMA	27.73	9,582	\$	31.53	-	-	\$	-	\$	-	\$	-
KY	South Central Bell-Ky	MYVLKYMA	26.54	6,232	\$	31.53	-	-	\$	-	\$	-	\$	-
KY	South Central Bell-Ky	NEBOKYMA	88.07	866	\$	31.53	56.54	42.97	\$	0.73	\$	42.24	\$	438,980
KY	South Central Bell-Ky	NEONKYES	60.61	1,010	\$	31.53	29.08	22.10	\$	0.38	\$	21.73	\$	263,343
KY	South Central Bell-Ky	NRVLKYMA	45.75	1,925	\$	31.53	14.22	10.81	\$	0.18	\$	10.63	\$	245,478
KY	South Central Bell-Ky	NWHNKYMA	57.52	1,921	\$	31.53	25.99	19.76	\$	0.34	\$	19.42	\$	447,660
KY	South Central Bell-Ky	OKGVKYES	30.43	7,159	\$	31.53	-	-	\$	-	\$	-	\$	-
KY	South Central Bell-Ky	OWBOKYMA	24.07	42,078	\$	31.53	41.10	31.24	\$	0.53	\$	30.71	\$	1,159,641
KY	South Central Bell-Ky	OWTNKYMA	72.63	3,147	\$	31.53	4.98	3.79	\$	0.06	\$	3.72	\$	391,149
KY	South Central Bell-Ky	PARSKYMA	36.51	8,753	\$	31.53	25.54	19.41	\$	0.33	\$	19.08	\$	139,233
KY	South Central Bell-Ky	PDCHKYIP	57.07	608	\$	31.53	0.87	0.66	\$	0.01	\$	0.65	\$	74,356
KY	South Central Bell-Ky	PDCHKYLO	32.40	9,481	\$	31.53	-	-	\$	-	\$	-	\$	-
KY	South Central Bell-Ky	PDCHKYMA	23.06	25,748	\$	31.53	7.34	5.58	\$	0.10	\$	5.49	\$	373,335
KY	South Central Bell-Ky	PDCHKYRL	38.87	5,670	\$	31.53	24.70	18.78	\$	0.32	\$	18.46	\$	1,240,014
KY	South Central Bell-Ky	PIVLKYMA	56.23	5,599	\$	31.53	3.67	2.79	\$	0.05	\$	2.75	\$	380,796
KY	South Central Bell-Ky	PKVLKYMA	35.20	11,559	\$	31.53	35.85	27.25	\$	0.46	\$	26.79	\$	403,712
KY	South Central Bell-Ky	PKVLKYMT	67.38	1,256	\$	31.53	32.23	24.50	\$	0.42	\$	24.08	\$	294,754
KY	South Central Bell-Ky	PLRGKYMA	63.76	1,020	\$	31.53	53.40	40.59	\$	0.69	\$	39.90	\$	371,036
KY	South Central Bell-Ky	PMBRKYMA	84.93	775	\$	31.53	35.34	26.86	\$	0.46	\$	26.40	\$	179,973
KY	South Central Bell-Ky	PNTHKYMA	66.87	568	\$	31.53	3.01	2.29	\$	0.04	\$	2.25	\$	168,351
KY	South Central Bell-Ky	PNVLKYMA	34.54	6,229	\$	31.53	6.95	5.29	\$	0.09	\$	5.20	\$	381,319
KY	South Central Bell-Ky	PRBGKYES	38.48	6,116	\$	31.53	14.61	11.11	\$	0.19	\$	10.92	\$	770,380
KY	South Central Bell-Ky	PRTNKYES	46.14	5,880	\$	31.53	7.63	5.80	\$	0.10	\$	5.70	\$	155,915
KY	South Central Bell-Ky	PRVDKYMA	39.16	2,278	\$	31.53	34.10	25.92	\$	0.44	\$	25.48	\$	377,281
KY	South Central Bell-Ky	PRVLKYMA	65.63	1,234	\$	31.53	78.17	59.41	\$	1.01	\$	58.40	\$	291,537
KY	South Central Bell-Ky	PTRYKYMA	109.70	416	\$	31.53	52.68	40.04	\$	0.68	\$	39.36	\$	334,862
KY	South Central Bell-Ky	RBRDKYMA	84.21	709	\$	31.53	-	-	\$	-	\$	-	\$	-
KY	South Central Bell-Ky	RCMDKYMA	29.60	18,561	\$	31.53	5.40	4.11	\$	0.07	\$	4.04	\$	385,295
KY	South Central Bell-Ky	RLVLKYMA	36.93	7,952	\$	31.53	2.42	1.84	\$	0.03	\$	1.81	\$	92,668
KY	South Central Bell-Ky	RSTRKYES	33.95	4,263	\$	31.53	31.47	23.92	\$	0.41	\$	23.51	\$	217,546
KY	South Central Bell-Ky	SCRMKYMA	63.00	771	\$	31.53	67.33	51.17	\$	0.87	\$	50.30	\$	548,100
KY	South Central Bell-Ky	SDVLKYMA	98.86	908	\$	31.53	22.70	17.26	\$	0.29	\$	16.96	\$	169,550
KY	South Central Bell-Ky	SEBRKYMA	54.23	833	\$	31.53	66.35	50.43	\$	0.86	\$	49.57	\$	408,661
KY	South Central Bell-Ky	SHGVKYMA	97.88	687	\$	31.53	-	-	\$	-	\$	-	\$	-
KY	South Central Bell-Ky	SHVLKYMA	29.08	9,732	\$	31.53	75.15	57.12	\$	0.97	\$	56.14	\$	481,049
KY	South Central Bell-Ky	SLGHKYMA	106.68	714	\$	31.53	-	-	\$	-	\$	-	\$	-

State	Wire Center	(A) Total Monthly Cost per Line	(B) Total Switched Traffic	(C) 15% National Rate	(D) Total Cost	(E) Total Cost	(F) Total Cost	(G) Total Cost	(H) Total Cost	(I) Total Cost	(J) Total Cost
KY	South Central Bell-Ky	53.93	864	\$ 31.53	22.40	17.03	\$ 0.29	\$ 16.74	\$ 173,536		
KY	South Central Bell-Ky	74.79	926	\$ 31.53	43.26	32.88	\$ 0.56	\$ 32.32	\$ 359,153		
KY	South Central Bell-Ky	47.97	4,360	\$ 31.53	16.44	12.50	\$ 0.21	\$ 12.29	\$ 642,762		
KY	South Central Bell-Ky	48.94	2,737	\$ 31.53	17.41	13.24	\$ 0.23	\$ 13.01	\$ 427,295		
KY	South Central Bell-Ky	80.45	480	\$ 31.53	48.92	37.18	\$ 0.63	\$ 36.55	\$ 210,525		
KY	South Central Bell-Ky	46.25	1,644	\$ 31.53	14.72	11.19	\$ 0.19	\$ 11.00	\$ 217,013		
KY	South Central Bell-Ky	73.48	336	\$ 31.53	41.95	31.89	\$ 0.54	\$ 31.34	\$ 126,373		
KY	South Central Bell-Ky	50.08	4,815	\$ 31.53	18.55	14.10	\$ 0.24	\$ 13.86	\$ 800,917		
KY	South Central Bell-Ky	59.29	1,346	\$ 31.53	27.76	21.10	\$ 0.36	\$ 20.74	\$ 335,023		
KY	South Central Bell-Ky	70.78	669	\$ 31.53	39.25	29.83	\$ 0.51	\$ 29.33	\$ 235,425		
KY	South Central Bell-Ky	50.75	2,662	\$ 31.53	19.22	14.61	\$ 0.25	\$ 14.36	\$ 458,780		
KY	South Central Bell-Ky	52.39	2,799	\$ 31.53	20.86	15.86	\$ 0.27	\$ 15.59	\$ 523,542		
KY	South Central Bell-Ky	48.48	2,521	\$ 31.53	16.95	12.89	\$ 0.22	\$ 12.67	\$ 383,178		
KY	South Central Bell-Ky	85.48	426	\$ 31.53	53.95	41.01	\$ 0.70	\$ 40.31	\$ 206,051		
KY	South Central Bell-Ky	66.47	2,495	\$ 31.53	34.94	26.56	\$ 0.45	\$ 26.11	\$ 781,605		
KY	South Central Bell-Ky	78.84	930	\$ 31.53	47.31	35.96	\$ 0.61	\$ 35.35	\$ 394,470		
KY	South Central Bell-Ky	54.14	3,481	\$ 31.53	22.61	17.19	\$ 0.29	\$ 16.89	\$ 705,718		
KY	South Central Bell-Ky	66.16	1,345	\$ 31.53	34.63	26.32	\$ 0.45	\$ 25.87	\$ 417,609		
KY	South Central Bell-Ky	91.51	764	\$ 31.53	59.98	45.59	\$ 0.78	\$ 44.81	\$ 410,836		
KY	South Central Bell-Ky	52.51	6,305	\$ 31.53	20.98	15.95	\$ 0.27	\$ 15.68	\$ 1,186,109		
KY	South Central Bell-Ky	63.52	1,615	\$ 31.53	31.99	24.32	\$ 0.41	\$ 23.90	\$ 463,219		
KY	South Central Bell-Ky	51.62	7,181	\$ 31.53	20.09	15.27	\$ 0.26	\$ 15.01	\$ 1,293,610		
KY	South Central Bell-Ky	53.91	1,815	\$ 31.53	22.38	17.01	\$ 0.29	\$ 16.72	\$ 384,221		
KY	South Central Bell-Ky	76.55	681	\$ 31.53	45.02	34.22	\$ 0.58	\$ 33.64	\$ 274,874		
KY	South Central Bell-Ky	29.65	15,733	\$ 31.53	-	-	\$ -	\$ -	\$ -		
KY	South Central Bell-Ky	102.29	368	\$ 31.53	70.76	53.78	\$ 0.92	\$ 52.87	\$ 233,453		
KY	South Central Bell-Ky	68.53	1,530	\$ 31.53	37.00	28.12	\$ 0.48	\$ 27.64	\$ 507,556		
KY	South Central Bell-Ky	120.33	663	\$ 31.53	88.80	67.49	\$ 1.15	\$ 66.34	\$ 527,818		
KY	South Central Bell-Ky	40.74	1,532	\$ 31.53	9.21	7.00	\$ 0.12	\$ 6.88	\$ 126,555		
KY	South Central Bell-Ky	61.97	1,552	\$ 31.53	50.14	37.14	\$ 0.57	\$ 36.57	\$ 1,359,001		
									\$ 9,213,449		

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served on the individuals on the attached Service List by mailing a copy thereof, this 3rd day of February 2000.

Creighton Mershon
Creighton E. Mershon, Sr.

SERVICE LIST A - ADMINISTRATIVE CASE 360

THE FOLLOWING PARTIES RECEIVED COPIES OF THE ENTIRE FILING MAILED ON FEBRUARY 3, 2000:

Darrell Mennenga
ALLTEL Service Corp.
P. O. Box 2177
One Allied Drive
Little Rock, AR 72203

Barbara J. Stonebraker
Cincinnati Bell Telephone Co.
P. O. Box 2301
201 E. 4th Street
Cincinnati, OH 45201

David C. Olson, Esq.
Frost & Jacobs LLP
2500 PNC Center
201 East Fifth Street
Cincinnati, OH 45202-4182

William W. Magruder
Duo County Telephone
P. O. Box 80
Jamestown, KY 42629

John D. Feehan
TDS-Telecom Southeast Division
P. O. Box 22995
Knoxville, TN 37933-0995

Kim Logue
LCI International Telecom Corp.
Suite 800
8180 Greensboro Drive
McLean, VA 22102

Katherine K. Yunker, Esq.
836 Euclid Avenue, Suite 301
P. O. Box 21784
Lexington, KY 40522-1784

Claire Daly
WorldCom
201 Energy Parkway, Ste. 200
Lafayette, LA 70508-3839

Hon. Carolyn Roddy
Sprint Communications
3100 Cumberland Circle, GAATN0802
Atlanta, GA 30339

Hon. John N. Hughes
Attorney at Law
124 W. Todd Street
Frankfort, KY 40601

Larry Callison
GTE South, Inc.
3725 Nicholasville Road, Bldg. 2
Lexington, KY 40503

Hon. Eric L. Ison
Hon. Holland N. McTyeire, V.
Greenebaum Doll & McDonald
3300 National City Tower
Louisville, KY 40202

Hon. James Lamoureux
AT&T
Promenade I, Ste. 8100
1200 Peachtree Street, NE
Atlanta, GA 30309

Hon. Ann Chevront
Assistant Attorney General
Public Service Lit. Branch
1024 Capital Center Drive
P. O. Box 2000
Frankfort, KY 40602-2000

Dr. Marvin Kahn
Exeter Associates
12510 Prosperity Drive
Silver Spring, MD 20904

Hon. C. Kent Hatfield
Hon. William K. Oldham
Middleton & Reutlinger
2500 Brown & Williamson Tower
Louisville, KY 40202

Hon. Susan Berlin
MCI Telecommunications
Centrum Bldg., Suite 700
780 Johnson Ferry Road
Atlanta, GA 30342

Richard Northern, Esq.
Francis J. Mellen, Jr., Esq.
Frank F. Chuppe, Esq.
Wyatt, Tarrant & Combs
Citizens Plaza
Louisville, KY 40202

Lindsey Ingram, Esq.
Stoll, Keenon & Park, LLP
201 East Main St., Suite 1000
Lexington, KY 40507-1380

Kendrick R. Riggs, Esq.
Allyson K. Sturgeon, Esq.
Ogden, Newell & Welch
1700 Citizens Plaza
500 W. Jefferson Street
Louisville, KY 40202-2874

Randall J. Cadenhead, Esq.
BellSouth Advertising & Publishing Corp.
59 Executive Park South
Atlanta, GA 30329

Leonard J. Kennedy, Esq.
Dow, Lohnes & Albertson
A Professional Limited
Liability Company
1200 New Hampshire Ave., N.W.
Suite 800
Washington, DC 20036-6802

Hon. Carol Markovitz Raskin
Legal Aid Society, Inc.
425 W. Muhammad Ali Blvd.
Louisville, KY 40202

John E. Selent, Esq.
Dinsmore & Shohl LLP
2000 Meidinger Tower
Louisville, KY 40202

John J. Greive
UniDial Communications
1901 Eastpoint Parkway
Louisville, KY 40223

Hon. Anne E. Keating
Kentucky Board of Education
500 Mero Street
Frankfort, KY 40601

Hon. Mark A. Sharrard
Kentucky Education Association
401 Capitol Avenue
Frankfort, KY 40601

Hon. Joe F. Childers
Attorney for Kentucky Youth
Advocates, Inc.
201 W. Short Street, Ste. 310
Lexington, KY 40507

Herbert D. Liebman
Liebman and Liebman
403 West Main Street
Frankfort, KY 40601

Hon. Mark W. Dobbins
Tilford, Dobbins, Alexander,
Buckaway & Black
1400 One Riverfront Plaza
Louisville, KY 40202

Hon. Joseph W. Foster
GTE South, Inc.
4100 Roxboro Road
MC NC999191
Durham, NC 27704

Hon. Henry T. Kelly
Hon. Michael W. Ward
O'Keefe, Ashenden, Lyons & Ward
Suite 4100
30 North LaSalle Street
Chicago, IL 60602

Jim Butler
Excel Telecommunications
8750 N. Central Expressway
Lock Box #6
Dallas, TX 75231

OTHER PARTIES OF RECORD WERE SENT THE
TRANSMITTAL LETTER ONLY.

SERVICE LIST B - ADMINISTRATIVE CASE 360

THE FOLLOWING PARTIES RECEIVED A COPY OF THE TRANSMITTAL LETTER ONLY:

James O. Campbell
Appalachian Cellular General
Partnership
P. O. Box 520
Harold, KY 41635

Kenneth L. Ramsey
Cellular Phone of Kentucky
d/b/a Cellcom
1527 South Main Street
London, KY 40741

John K. Cusack
Cincinnati SMSA, Limited Partnership
c/o Ameritech Mobile Comm.
2000 W. Ameritech Center, #3H80
Hoffman Estate, IL 60195-5000

Ron Smith
Cumberland Cellular Ptnrshp.
d/b/a Bluegrass Cellular
115 Williams Street
Elizabethtown, KY 42701

Steve Lochmueller
Horizon Cellular Telephone Co. of Central
Kentucky, LP, d/b/a Cellular One/United
Bluegrass
124 South Keeneland Drive
Richmond, KY 40475

Ronald W. Burlison
Kentucky CGSA, Inc.
d/b/a BellSouth Mobility
Suite 14E06
1100 Peachtree Street, N.E.
Atlanta, GA 30309-4599

William K. Grigsby
Mountaineer Cellular General Partnership
P. O. Box 1148
Hindman, KY 41822

William H. Brown
BellSouth Cellular Corp.
Suite 14D06
1100 Peachtree Street, N.E.
Atlanta, GA 30309-4599

Colleen Dziuban
AirTouch Cellular
5175 Emerald Parkway
Dublin, OH 43017

Phillip Smith
West Virginia Cellular Tel. Corp.
d/b/a Cellular One of Huntington
2002 Pisgah Church Road, Ste. 300
Greensboro, NC 27455-3314

Maurie E. Diagneau
Affinity Corporation
20875 Cross Roads Circle, Ste. 400
Waukesha, WI 53186

Barbara Greene
Alternate Communications Technology
8900 Keystone Crossing, Ste. 1090
P. O. Box 40189
Indianapolis, IN 46240-0189

Kenton Nice
Amer-I-Net Services Corp.
5170 W. Hurley Pond Road
Farmingdale, NJ 07727

Carl Thompson
AmeriVision Communications
3141 N.W. Expressway Street
Oklahoma City, OK 73112-4143

Amy S. Gross
American Network Exchange
100 W. Lucerne Circle Ste. 100
Orlando, FL 32801-4400

Carl E. Worboys
American Telecommunications Enterprise, Inc.
7323 Oswego Road
Liverpool, NY 13088

John R. Thomas
American Telephone Network
889 Bendix Drive
Jackson, TN 38301

Denise Newman
Automated Communications, Inc.
1687 Cole Boulevard
Golden, CO 80401

Kevin D. Nagle
Bluegrass Long Distance, Inc.
P. O. Box 4126
Vineyard Haven, MA 02568-4126

Barbara Greene
Business Telecom, Inc.
d/b/a BTI
4300 Six Forks Road, Suite 500
Raleigh, NC 27609-5781

Charles A. Tievsky
Cable & Wireless, Inc.
1919 Gallows Road
Vienna, VA 22182

David Giangreco
Cherry Communications, Inc.
2205 Enterprise Drive, Ste. 501
Westchester, IL 60154-5815

Barry L. Nelson
Cincinnati Bell Long Distance
22nd Floor, Suite 2200
36 E. 7th Street
Cincinnati, OH 45202

Bijan Moaveni
Coast International, Inc.
14303 W. 95th Street
Lenexa, KS 66215

Cynthia D. Kott
P. O. Box 275
Center Lovell, ME 04016-0275

Catherine A. McDowell
Corporate Telemanagement Group
P. O. Box 25219
Greenville, SC 29616-0219

Marie G. Meneo
EQuality Incorporated
P. O. Box 4280
Yalesville Station
Wallingford, CT 06492

Charlene M. McDonald
Eastern Telecom Corporation
11817 Canon Boulevard, Suite 600
Newport News, VA 23606

Doug Shumate
Eastern Telecom, Inc.
d/b/a Interquest
910 First Avenue
P. O. Box 510
West Point, GA 31833

Dean H. Fisher
EqualNet Corporation
EqualNet Plaza
1250 Wood Branch Park Dr.
Houston, TX 77079-1204

Hon. Barbara C. Anderson
Executone Information Systems
478 Wheelers Farms Road
Milford, CT 06460

Daniel Latham
Frontier Communications International, Inc.
180 South Clinton Avenue
Rochester, NY 14646

Ms. Bobbi Ferguson
GE Exchange
16061 Carmel Bay Drive
Northport, AL 35475-4002

Terence Greenhall
Harvey Hotel Management Corp.
d/b/a Hospitality Telecom Solutions
14285 Midway Road, Ste. 300
Dallas, TX 75244-3647

Rebecca Reed
Hertz Technologies, Inc.
5601 Northwest Expressway
Oklahoma City, OK 73132

Joseph Webb
Home Owners Long Distance
8000 Vantage, Suite 2001
San Antonio, TX 78230

Stan Slaton
Hospitality Communications
1575 Spinnaker Drive, Ste. 204
Ventura, CA 93001

Howard S. Jonas
IDT America, Corp.
294 State Street
Hackensack, NJ 07601

John E. Pappas
Intercom, Inc.
773 Andover Village Drive
Lexington, KY 40509

Bob Livingston
International Telemanagement Group
290 Wesleyan, Ste. 250
Houston, TX 77027

Robert E. Bowling
Invision Telecom
10503 Timberwood Circle, Ste. 204
Louisville, KY 40223

A. D. Wright, Jr.
Kentucky Data Link, Inc.
Wright Businesses, Inc.
611 Broadway, Box 1337
Paducah, KY 42002-1337

Thomas E. Terwilliger
Kentucky Telephone Corp.
The Heyburn Building
332 W. Broadway, Ste. 300
Louisville, KY 40202

Ms. Shirlene Krewson
LDD, Inc.
24 South Minnesota
Cape Girardeau, MO 63703

Angie M. Scott
LECNET, Inc.
P. O. Box 22923
Jackson, MS 39225-2923

Robert A. Moyer, Jr.
Long Distance Telephone Savers
2025 - 13th Street
P. O. Box 1760
Ashland, KY 41105-1760

Sherry Schelble
MCI Telecommunications
780 Johnson Ferry Road, Suite 700
Atlanta, GA 30342

Paul Senio
MIDCOM Communications, Inc.
26899 Northwestern Highway, Ste. 120
Southfield, MI 48034-8419

Dennis Miga
Matrix Telecom, Inc.
8721 Airport Freeway
Fort Worth, TX 76180

Mr. Charles Rohe
MFS Telecom, Inc.
One Tower Lane
Suite 1600
Oakbrook Terr., IL 60181

David Schultz
Murdock, Remmers & Assoc.
1112 - 29th Avenue, S.W.
Cedar Rapids, IA 54204

Jane M. Helein
Helein & Assoc., PC
8180 Greensboro Road, Ste. 700
McLean, VA 22102

Neil Lang
National Accounts, Inc.
119 Cherry Hill Road
Parsippany, NJ 07054

Stephen A. Caswell
National Telephone Communications
21031 Ventura Blvd., Suite 1100
Woodland Hills, CA 91364

Mike M. Ross
Network Long Distance, Inc.
525 Florida Street
Baton Rouge, LA 70821

Robert Hale, Jr.
Network Plus, Inc.
234 Copeland Street
Quincy, MA 02169

Cheryl Jung
Norstan Network Services, Inc.
6900 Wedgewood Road
P. O. Box 9003
Maple Grove, MN 55311

David Heutel
OCOM Corporation
438 E. Wilson Bridge Road
Worthington, OH 43085

Deborah Barrett
One Call Communications, Inc./Opticom
801 Congressional Blvd., Ste. 100
Carmel, IN 46032

Kirk Smith
Operator Service Company
5302 Avenue Q, #6
Lubbock, TX 79412-2733

Ronald E. Parsons, Jr.
PSP Marketing Group, Inc.
2829 Lakeland Drive, #1110
Jackson, MS 39208-9798

J. David Malafara, Sr.
Pennsylvania Alternative Communications, Inc.
218 S. Maple Avenue
Greensburg, PA 15601

Jeffrey Bailey
Phoenix Network, Inc.
1687 Cole Blvd.
Golden, CO 80401-3316

Bernard Mandel
PhoneTel Technologies, Inc.
650 Statler Office Tower
1127 Euclid Avenue
Cleveland, OH 44115

Donna Bonnett
Premier Billing Services, Inc.
5132 W. Washington Street
Springfield, IL 62707

Julianne Vaio
Premier Communications, Inc.
Lenox Building, Suite 400
3399 Peachtree Road, NE
Atlanta, GA 30326

Larry Sisler
Professional Communications Management
Services, Inc.
d/b/a Procom
Route #3, Box 69-G
Bruceton Mills, WV 26525-9802

Jeanie Ray
Quest Telecommunications, Inc.
242 Falcon Drive
Forest Park, GA 30050

Diane J. Harbaugh
Southern Pacific Telecommunications Company
555 - 17th Street
Denver, CO 80202

Shawn Turner
TMC of Southern Kentucky
P. O. Box 9789
Bowling Green, KY 42102-9789

Orland Chamberlain
Target Telecom, Inc.
155 Willowbrook Blvd.
Wayne, NJ 07470

Daniel M. Brislow
Tel-Save, Inc.
6805 Route 202
New Hope, PA 18938

Paul Demirdjian
Telaleasing Enterprises, Inc.
1429 Massaro Blvd.
Tampa, FL 33619-3005

Gerald D. Fick
Tele-Trend Communications
1687 Cole Blvd.
Golden, CO 80401-3307

Donald Roudebush
Telecare, Inc.
444 Lafayette Road
Noblesville, IN 46060

Mr. Jerre B. Nichols
Telecentre of Indiana, Inc.
181 South Harbour Drive
Noblesville, IN 46060

Harold Shankland
Telecommunications Service Center
412 E. Madison Street, Ste. 1215
Tampa, FL 33602

Clifford Rees
Telegroup, Inc.
505 N. 3rd Street
Fairfield, IA 52556

Janet Prochaska
Telenational Communications
7300 Woolworth Avenue
Omaha, NE 68124

Sue Williams
Teltrust, Inc.
6322 S. 3000 E.
Salt Lake City, UT 84121-6921

John S. Streep
The Furst Group, Inc.
459 Oakshade Road
Vincentown, NJ 08088

Harold E. Lovelady
Thrifty Call, Inc.
500 Carlson Circle, Ste. 300
San Marcos, TX 78666

Warren H. Feldman
TotalTel USA Communications
Overlook at Great Notch
150 Clove Road, 8th Floor
Little Falls, NJ 07424

Linda H. Farr
Touch 1 Long Distance, Inc.
100 Brookwood Road
Atmore, AL 36502

Douglas D. Furbush, III
Trans National Communications
d/b/a Members' Long Distance Advantage
133 Federal Street
Boston, MA 02110

Tammy Peters
U.S. Digital Network Limited Partnership
8575-D Sudley Road
Manassas, VA 22110

Kenneth F. Melley, Jr.
U.S. Long Distance, Inc.
9311 San Pedro, Suite 300
San Antonio, TX 78216

George Lebus
U.S. Osiris Corporation
d/b/a American Roaming Network
8828 Stemmons Freeway, Suite 212
Dallas, TX 75247-3721

Norbert J. Connors
USX Consultants, Inc.
600 Grant Street, Room 1668
Pittsburgh, PA 15219-2749

Timothy Barton
United Wats, Inc.
5799 Broadmoor St., #200
Mission, KS 66202-2408

Brian Somerville
Utility Analysts, Inc.
d/b/a National Resource Group & NRG
Communications
P. O. Box 39292
Redford, MI 48239-0292

Joel Katz
V.I.P. Telephone Network, Inc.
P. O. Box 6218
Lutherville Timonium, MD 21094-6218

Michael G. Hoffman, Esq.
VarTec Telecom, Inc.
3200 W. Pleasant Run Road, Ste. 100
Lancaster, TX 75146

Anne E. Mickey, Esq.
Sher & Blackwell
Attorneys at Law
1850 M Street, N.W., Suite 900
Washington, DC 20036-5820

Donna Williams
Westinghouse Electric Corp.
d/b/a Westinghouse Communications
902 Brinton Road
Pittsburgh, PA 15221

Maia Ettinger, Esq.
Working Assets Funding Service, Inc.
d/b/a Working Assets Long Distance
701 Montgomery Street, #400
San Francisco, CA 94111

Andrew O. Isar
World Telecom Group, Inc.
P. O. Box 2461
Gig Harbor, WA 98335

Philip J. Weisman
World Wide Communications
4132 S. Rainbow Blvd., #526
Las Vegas, NV 89103-3106

Sally Packer
Worldtel Services, Inc.
666 Baker Street, Ste. 357
Costa Mesa, CA 92626-4470

Hon. Marie Alagia Cull
312 W. Main Street
P. O. Box 1515
Frankfort, KY 40602

Hon. Andy Lipman
Hon. Dana Frix
Swidler & Berlin
3000 K Street, NW, Suite 300
Washington, DC 20007

Ms. Pam Jenkins
MCI
1701 Hunter Rest
Lexington, KY 40515

Riley M. Murphy
American Communication Services, Inc.
131 National Business Parkway, Ste 100
Annapolis Junction, MD 20701

Mr. Christopher Rozycki
Hyperion Telecommunications
DDI Plaza Two
500 Thomas Street, Suite 400
Bridgeville, PA 15107-2838

Forest Skaggs
Kentucky Telephone Association
861 Corporate Drive
Lexington, KY 40503

Ms. Patsy Judd
KY Cable Television Assoc.
P. O. Box 415
Burkesville, KY 42717

Mr. Tommy L. Pendley
6481 State Route 70 E
Drakesboro, KY 42337

Mr. Robert E. Lloyd
National Exchange Carrier Association
2300 N Street, NW, Suite 600
Washington, DC 20037

Mr. Peter J. Garlock
Ashland Oil, Inc.
P. O. Box 14000
Lexington, KY 40512

Mr. Jeff Lowe
Ms. Nancy Wittbort
Ameritech Mobile
225 West Randolph
Location 27C
Chicago, IL 60606

Hon. Anne E. Franklin
Gerry, Friend & Saprnov
Three Ravinia Drive, Suite 1450
Atlanta, GA 30346-2131

Ms. Monica E. Polgar
Economics and Technology, Inc.
One Washington Mall
Boston, MA 02108

Mr. Darrell L. Maynard
SouthEast Telephone, Inc.
P. O. Box 1001
Pikeville, KY 41502

L. M. Mott
GTE Mobilnet
245 Perimeter Center Parkway
Atlanta, GA 30346

Ms. Brandi Rarus
Sprint - TRS
1321 Rutherford Lane, Ste. 120
Austin, TX 78753

Mr. Brian Lowinger
1667 K Street, N.W., Ste. 801
Washington, DC 20006

Mr. Richard Lewis
Association of Directory
Publishers
78 South Street
P. O. Box 157
Wrentham, MA 02093

Mr. Edward W. Gardner
Lexington-Payette Urban County Government
Department of Law
200 E. Main Street
Lexington, KY 40507

Hon. James M. Honaker
Sower Building
Frankfort, KY 40601

Hon. Jeffrey J. Yost
Jackson & Kelly
P. O. Box 2150
175 E. Main Street
Lexington, KY 40595

Ms. Linda Kubala
Legislative Research Commission
State Capitol
Frankfort, KY 40601

J. Scott Nicholls
US One Communications
6360 Lyndon B. Johnson Fwy. #100
Dallas, TX 75240-6413

Ms. Jeanne A. Frances
Michael H. Wirpel Law Corp.
Suite 2400
909 Poydras Street
New Orleans, LA 70112

Mr. Chris Cichoski
50 Main Street
14th Floor
White Plains, NY 10606

Mr. James A. Nelson
Libraries & Archives
Office of the State Librarian
300 Coffee Tree Road
P. O. Box 537
Frankfort, KY 40602-0537

Mr. Thomas G. Ward
Third Kentucky Cellular Corp.
447 Spring Hill Drive
Lexington, KY 40503

Mr. Jason Kerben
Drinker, Biddle & Reath
901 - 15th Street, N.W.
Washington, DC 20005-2327

Mr. Scott Jamison
Access America
138 Fairbanks Plaza
Oak Ridge, TN 37830

Hon. V. Wayne Young
Kentucky Association of School Administrators
152 Consumer Lane
Frankfort, KY 40601

Jane J. Chiles
Catholic Conference of Kentucky
1042 Burlington Lane
Frankfort, KY 40601-8487

Larry G. Bryson, Esq.
Bledsoe and Bryson, PSC
48 N. Main Street, Ste. 2
London, KY 40741

Mr. Harlon Parker
General Manager
Ballard Rural Telephone
Cooperative Corp., Inc.
P. O. Box 209
LaCenter, KY 42056

Mr. J. D. Tobin, Jr.
President
Brandenburg Telephone Company
P. O. Box 599
Brandenburg, KY 40109

Mr. Paul Preston
General Manager
Foothills Rural Telephone
Cooperative Corp., Inc.
P. O. Box 240
Staffordsville, KY 41256

Mr. Paul Gearheart
President
Harold Telephone Company, Inc.
P. O. Box 160
Harold, KY 41635

Mr. Fred Terry
General Manager
Highland Telephone Coop., Inc.
P. O. Box 119
Sunbright, TN 37872

Mr. John Isenberg
General Manager
Logan Telephone Coop., Inc.
P. O. Box 97
Auburn, KY 42206

Mr. Daniel McKenzie
General Manager
Mt. Rural Telephone
Cooperative, Inc.
P. O. Box 399
West Liberty, KY 41472

Mr. Tom Rowland
General Manager
North Central Telephone
Cooperative, Inc.
P. O. Box 70
Lafayette, TN 37083

Mr. Robert B. Hays
Manager
Peoples Rural Telephone Coop.
P. O. Box 159
McKee, KY 40447

Mr. Clint Quenzer
General Manager
South Central Rural
Telephone Cooperative
P. O. Box 159
Glasgow, KY 42141

Mr. Robert Thacker
President
Thacker-Grigsby Telephone
Company, Inc.
P. O. Box 789
Hindman, KY 41822

Mr. Glen Sears
Manager
West Kentucky Rural
Telephone Cooperative
P. O. Box 649
Mayfield, KY 42066

James G. Campbell, Esq.
Campbell & Campbell, PSC
9700 Ormsby Station Road, #210
Louisville, KY 40223-4005

Madelon Kuchera
Douglas W. Trabaris, Esq.
TCG Ohio
233 S. Wacker Drive, Ste. 2100
Chicago, IL 60606

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1999

	Total Business Rev	Total Residence Rev	Total Res & Bus Rev	Bus EUCL Rev	Res EUCL Rev	Avg Rates Report	Res Lines	EUCL Rev / Ln	Estimated Interstate Rev
AL	\$ 418,612,662	\$ 498,769,404	\$ 913,382,066	\$ 49,828,042	\$ 65,121,828	276	1,397,120	\$ 3.68	\$ 124,302,586
FL	\$ 1,238,520,472	\$ 1,153,560,654	\$ 2,392,081,126	\$ 185,450,355	\$ 228,568,593	222	4,822,779	\$ 7.17	\$ 440,324,308
GA	\$ 1,137,812,824	\$ 916,005,333	\$ 2,053,818,157	\$ 133,181,857	\$ 134,457,887	117	3,770,051	\$ 7.07	\$ 289,925,052
KY	\$ 256,408,733	\$ 298,670,225	\$ 555,078,958	\$ 30,218,344	\$ 40,701,898	110	886,625	\$ 3.83	\$ 76,825,547
LA	\$ 511,871,330	\$ 403,748,785	\$ 915,620,115	\$ 62,546,553	\$ 78,314,344	110	1,740,841	\$ 6.92	\$ 153,673,210
MS	\$ 111,459,571	\$ 115,208,356	\$ 226,667,927	\$ 32,414,045	\$ 41,533,177	110	928,288	\$ 3.78	\$ 80,104,576
NC	\$ 591,138,118	\$ 474,183,228	\$ 1,065,321,346	\$ 78,850,704	\$ 79,850,704	110	1,687,247	\$ 6.98	\$ 169,100,577
SC	\$ 352,816,549	\$ 356,568,029	\$ 709,384,578	\$ 39,759,293	\$ 46,389,107	110	1,039,854	\$ 6.95	\$ 95,485,744
TN	\$ 598,090,154	\$ 568,819,814	\$ 1,166,910,068	\$ 85,668,470	\$ 83,878,252	110	1,946,845	\$ 6.84	\$ 172,714,686
BST	\$ 5,414,690,413	\$ 5,224,816,239	\$ 10,639,506,652	\$ 875,008,470	\$ 809,783,768	110	16,999,648	\$ 7.01	\$ 1,608,426,265

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	Total Revenues	Interstate Revenue
Line 232 X 2	\$ 11,846,553,354	\$ 1,550,282,146
Line 239 X 2	\$ 1,417,515,100	\$ 109,465,028
Line 231 X 2	\$ 16,959,719,316	\$ 4,215,433,468
CXR to CXR Revenues	\$ 3,895,650,882	\$ 2,546,686,290

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	Total Revenues	Interstate Revenue
Line 420	\$ 11,976,714,109	\$ 1,608,426,265
Line 418	\$ 1,493,589,902	\$ -
Line 419	\$ 17,379,678,129	\$ 4,135,476,763
CXR to CXR Revenues	\$ 3,909,374,118	\$ 2,527,050,518

1998

	Total Business Rev	Total Residence Rev	Total Res & Bus Rev	Bus EUCL Rev	Res EUCL Rev	Avg Rates Report	Res Lines	EUCL Rev / Ln	Estimated Interstate Rev
AL	\$ 388,943,222	\$ 477,214,053	\$ 866,157,275	\$ 47,637,706	\$ 59,289,079	195	1,371,004	\$ 6.79	\$ 115,386,595
FL	\$ 1,071,460,037	\$ 979,121,187	\$ 2,050,581,224	\$ 174,408,689	\$ 185,113,435	150	4,475,089	\$ 6.97	\$ 398,755,737
GA	\$ 1,054,760,794	\$ 837,635,559	\$ 1,892,396,353	\$ 128,323,433	\$ 116,451,191	150	2,668,348	\$ 6.93	\$ 281,982,414
KY	\$ 238,019,711	\$ 280,485,790	\$ 518,505,501	\$ 28,214,318	\$ 36,999,206	120	866,333	\$ 3.56	\$ 70,373,073
LA	\$ 470,246,040	\$ 528,529,374	\$ 998,775,414	\$ 58,780,599	\$ 71,251,588	120	1,673,507	\$ 6.86	\$ 140,320,045
MS	\$ 219,393,086	\$ 388,253,673	\$ 607,646,759	\$ 30,363,757	\$ 38,547,953	120	903,632	\$ 3.55	\$ 74,385,434
NC	\$ 547,354,418	\$ 439,170,023	\$ 986,524,441	\$ 71,258,675	\$ 69,636,702	120	1,589,798	\$ 6.76	\$ 152,040,765
SC	\$ 322,265,648	\$ 343,557,734	\$ 665,823,382	\$ 37,394,991	\$ 43,117,297	120	1,009,914	\$ 6.86	\$ 86,882,242
TN	\$ 568,783,724	\$ 541,061,227	\$ 1,109,844,951	\$ 63,918,967	\$ 83,780,595	120	1,898,509	\$ 6.77	\$ 159,363,210
BST	\$ 4,941,228,690	\$ 4,815,008,600	\$ 9,756,235,290	\$ 638,316,935	\$ 714,167,046	120	16,464,135	\$ 6.88	\$ 1,459,489,516

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	Total Revenues	Interstate Revenue
Line 49	\$ 10,963,397,469	\$ 1,459,489,516
Line 50	\$ 1,281,281,757	\$ -
Line 51	\$ 15,918,474,790	\$ 3,953,718,810
CXR to CXR Revenues	\$ 3,673,785,564	\$ 2,494,229,294

	Total Revenues	Interstate Revenue
Line 420	\$ 11,976,714,109	\$ 1,608,426,265
Line 418	\$ 1,493,589,902	\$ -
Line 419	\$ 17,379,678,129	\$ 4,135,476,763
CXR to CXR Revenues	\$ 3,909,374,118	\$ 2,527,050,518

	Total Business Rev	Total Residence Rev	Total Res & Bus Rev	Bus EUCL Rev	Res EUCL Rev	Avg Rates Report	Res Lines	EUCL Rev / Ln	Estimated Interstate Rev
AL	\$ 388,943,222	\$ 477,214,053	\$ 866,157,275	\$ 47,637,706	\$ 59,289,079	195	1,371,004	\$ 6.79	\$ 115,386,595
FL	\$ 1,071,460,037	\$ 979,121,187	\$ 2,050,581,224	\$ 174,408,689	\$ 185,113,435	150	4,475,089	\$ 6.97	\$ 398,755,737
GA	\$ 1,054,760,794	\$ 837,635,559	\$ 1,892,396,353	\$ 128,323,433	\$ 116,451,191	150	2,668,348	\$ 6.93	\$ 281,982,414
KY	\$ 238,019,711	\$ 280,485,790	\$ 518,505,501	\$ 28,214,318	\$ 36,999,206	120	866,333	\$ 3.56	\$ 70,373,073
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BST	\$ 4,941,228,690	\$ 4,815,008,600	\$ 9,756,235,290	\$ 638,316,935	\$ 714,167,046	120	16,464,135	\$ 6.88	\$ 1,459,489,516

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Federal Communications Commission
445 12th Street, S.W.
Washington, D. C. 20554

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).

FOR IMMEDIATE RELEASE
January 20, 2000

NEWS MEDIA CONTACT:
Mike Balmoris at (202) 418-0253
Email: mbalmori@fcc.gov

COMMON CARRIER ACTION

FCC RELEASES REPORT ON STATE-BY-STATE TELEPHONE REVENUE AND UNIVERSAL SERVICE DATA

Washington D.C. -- The FCC has released a new staff report titled State-by-State Telephone Revenue and Universal Service Data. This report contains estimates of intrastate and interstate telephone revenue by state for 1998. Estimates of local exchange, wireless, access and toll revenue by state are also included. Telephone revenue by state for 1998 is estimated primarily using data from Telecommunications Industry Revenue and from the *Statistics of Communications Common Carriers*.

This report also summarizes universal support mechanisms by state for 1999. Data on universal support payments comes primarily from reports filed by the National Exchange Carrier Association and the Universal Service Administrative Company. The report also presents estimates, based primarily on the telecommunications revenue in each state, of amounts collected from telecommunication users in each state to fund universal service mechanisms. This report does not include information on the new programs for schools, libraries, and rural health care providers.

The *State-by-State Telephone Revenue and Universal Service Data* report is prepared by the Common Carrier Bureau's Industry Analysis Division. The report is available for reference in the FCC's Reference Information Center, Courtyard Level, 445 12th Street, S.W., Washington, D.C. 20554. Copies may be purchased by calling International Transcription Services, Inc. (ITS) at (202) 857-3800. The report, including the spreadsheets containing the report's statistical tables and the figures, can be downloaded [file name: STREV-98.PDF or STREV-98.ZIP] from the **FCC-State Link** internet site at (<http://www.fcc.gov/ccb/stats>) on the World Wide Web.

-- FCC --

Common Carrier Bureau contact : James Eisner at (202) 418-0940; TTY: (202) 418-0484.

**STATE-BY-STATE TELEPHONE REVENUE AND UNIVERSAL
SERVICE DATA**

James Eisner

Industry Analysis Division
Common Carrier Bureau
Federal Communications Commission
January 2000

This report is available for reference in the FCC's Reference Information Center, Courtyard Level, 445 12th Street, SW, Washington, D.C. 20054. Copies may be purchased by calling International Transcription Services, Inc. (ITS) at (202) 857-3800. The report can be downloaded [file name STREV-98.ZIP and STREV-98.PDF] from the **FCC-State Link** internet site at <http://www.fcc.gov/ccb/stats>. For additional information, contact the Common Carrier Bureau's Industry Analysis Division at (202) 418-0940, or for user of TTY equipment, call (202) 418-0484.

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I. Introduction

In January 1997, the Industry Analysis Division of the FCC's Common Carrier Bureau first released state-by-state information on telephone service revenues.¹ That information, based on 1995 data, was prepared so that all parties in the universal service proceedings would have access to the same set of data disaggregated at the state level. In January 1998 and January 1999, similar information, including universal service data, was published for calendar years 1996 and 1997, respectively.² These state-by-state estimates have been used both by the FCC and by the states in analyzing changes to the universal service fund.³

This report presents state-by-state revenue for 1998 and universal service data for 1999. Industry-wide telephone revenue by state is estimated primarily using data from *Telecommunications Industry Revenue*,⁴ and from the *Statistics of Communications Common Carriers (SOCC)*.⁵ The universal service data come primarily from reports filed with the Commission by the National Exchange Carrier Association (NECA) and the Universal Service Administrative Company (USAC).

The payments, or "support," received by telephone companies in each state from universal service mechanisms are generally identified as "payments" in the statistical tables in this report. The report also presents estimates, based primarily on the telecommunications revenues in each state, of amounts collected from telecommunications users in each state to fund the universal service mechanisms. The amounts paid to support the universal service mechanisms are identified as "contributions." It may be useful to note that rural states (Wyoming, for example) receive more payments from the universal service support mechanisms than they contribute. In contrast, urban states tend to contribute more than they receive. It may also be helpful to note that the sum

¹ Industry Analysis Division, *Distribution of Intrastate and Interstate Telephone Revenue by State*, January 1997.

² Industry Analysis Division, *Universal Service Support and Telephone Revenue by State*, January 1998; and Industry Analysis Division, *State-By-State Telephone Revenue and Universal Service Data*, January 1999.

³ See, for example, Bob Rowe, Commissioner of the Montana Public Service Commission and chair of the NARUC Communications Committee and, *Meeting the Telecommunications High-Cost Fund Obligations*, presented at the Boston NARUC Convention, November 14, 1997; and Carol Weinhaus, Sandra Makeeff, Brian Roberts, et al, *Options for the Universal Service Fund*, Telecommunications Industry Analysis Project: Boston, Massachusetts (www.tiap.org), October 15, 1997.

⁴ Industry Analysis Division, *Telecommunications Industry Revenue : 1998*, September 1999.

⁵ Industry Analysis Division, *Statistics of Communications Common Carriers*, 1998/1999 edition, December 1999.

of contributions to the support mechanisms is equal to the sum of payments made through those mechanisms.⁶

This report does not include information on the new universal service mechanisms for schools, libraries, and rural health care providers.⁷

II. Data Related to Universal Service Support Mechanisms

A. General Information

Table 1.1 summarizes some of the general information that is needed to compute the contributions and to express contributions and support on a per-loop per-month basis. The first column shows the number of loops at year-end 1998 reported in the October 1, 1999, Universal Service Fund (USF) filing by NECA. The second column shows the number of loops at year-end 1998 for non-rural carriers.⁸ The third column presents the percent of the state's USF loops operated by non-rural carriers. The fourth column shows the number of loops at year-end 1998 for rural carriers. The fifth column presents the percent of the state's USF loops operated by rural carriers. The sixth column is interstate end-user revenue subject to the universal service mechanism, as estimated in Table 2.3 below.⁹ The last column takes the annual revenue numbers and divides them by the number of loops and then by 12 to convert from annual to monthly figures.

⁶ The administrative costs of the mechanisms are relatively small and are partially offset by interest earnings.

⁷ See Section 4 of the report titled *Program to Monitor Impacts of Universal Service Support Mechanisms*, CC Docket 96-45, *Monitoring Report*, June 1999 (*Monitoring Report*) for information on the universal service mechanisms covering schools, libraries and rural health care providers.

⁸ See 47 CFR 51.5 for a definition of a rural telecommunication carrier. Non-rural telecommunication carriers are incumbent local exchange carriers that are not certified as rural carriers.

⁹ Interstate end-user revenue subject to USF is the product of the first and fifth columns of Table 2.3. No direct interstate end-user revenue estimates were possible for Alaska, Guam, Northern Mariana Islands, or the Virgin Islands. For these jurisdictions, the nationwide average interstate end-user revenue per access minute was multiplied by the number of access minutes in the jurisdiction to estimate interstate end-user revenues.

B. High-Cost Loop Support

One way in which local rates have been maintained at an affordable level is to provide high-cost loop (HCL) assistance to companies with above average non-traffic-sensitive (NTS) "local loop costs" -- a term that refers to the costs of providing the loop connection between the customers and the central office. NTS costs are allocated to both the state and the interstate jurisdiction because all local loops can be used for making and receiving both state and interstate telephone calls. In 1999, 25% of these costs are allocated to the interstate jurisdiction for almost all companies. The expense adjustment allows those study areas¹⁰ with an average cost per loop that exceeds 115% of the national average to allocate an additional portion of their NTS costs to the interstate jurisdiction and have those costs covered by the USF. The expense adjustment depends upon both the difference in the average cost per loop of the study area and the nationwide average, and the size of the study area.¹¹

Table 1.2 presents data on the HCL mechanism. The first column presents the projected sum of annual support payments that are made in 1999 to local telephone companies in each state. The second column expresses the same payments on a per-loop per-month basis. Column 3 shows estimated contributions by state. These are computed by multiplying the total support payments for USF high-cost support by the ratio of the interstate end-user revenues subject to USF in each state to total interstate end-user revenues subject to USF nationwide.¹² The fourth column expresses those contributions on a per-loop per-month basis. The fifth column shows, for each state, the difference between the support and contributions on a total annual basis. The final column shows these amounts on a per-loop per-month basis.

C. Long-Term Support

The second high-cost support mechanism, long-term support (LTS), is also related to non-traffic-sensitive costs. LTS provides support to members of the NECA common line pool, to allow them to charge a below-cost carrier common line (CCL) rate that is uniform for all

¹⁰ A study area is generally a local carrier's operation in one state.

¹¹ The expense adjustment for study areas with under 200,000 lines is 65% of NTS costs for costs between 115% and 150% of the nationwide average, and 75% of NTS costs for costs 150% above the nationwide average. The expense adjustment for study areas with 200,000 or more lines increases from 10% of NTS costs for cost between 115% and 160% of the nationwide average to 75% of NTS costs for cost above 250% of the nationwide average. Refer to Table 3.1 of the *Monitoring Report* for more details on the percentage of additional allocations of NTS costs to the interstate jurisdiction.

¹² Administrative expenses and interest earnings of the administrator have been ignored in determining total contributions necessary to support the HCL mechanism. This same assumption also applies to LTS, LSS and low-income support funding estimates in Tables 1.3 – 1.9.

companies in the pool. The amount of LTS that a NECA pool member is eligible to receive in 1999 is the 1997 level of LTS (the difference between the 1997 CCL revenue requirements and the sum of 1997 CCL revenues using the NECA pool rate and 1997 subscriber line charge revenues) multiplied by the rate of growth of the national average NTS cost per loop.¹³

Table 1.3 presents data on the LTS mechanism. The first column presents the projected sum of annual support payments that are made in 1999 to local telephone companies in each state. The second column expresses the same payments on a per-loop per-month basis. Column 3 shows estimated contributions by state. These are computed by multiplying the total LTS payments by the ratio of the interstate end-user revenues subject to USF in each state to total interstate end-user revenues subject to USF nationwide. The fourth column expresses those contributions on a per-loop per-month basis. The fifth column shows, for each state, the difference between the support and contributions on a total annual basis. The final column shows these amounts on a per-loop per-month basis.

D. Local Switching Support

Local switching support (LSS) is related to traffic-sensitive local switching costs. LSS provides support to local exchange carriers (LECs) with study areas of 50,000 or fewer access lines, to help defray the higher switching cost of small LECs. In 1999, LSS is the product of switching cost and the LSS factor. The LSS factor is the difference between the 1996 weighted DEM factor and the 1996 unweighted DEM factor. The unweighted DEM factor is the ratio of interstate dial equipment minutes to total dial equipment minutes. The weighted DEM factor is the product of the unweighted DEM factor and the weighting factor. The weighting factor ranges from one for carriers with over 50,000 lines to three for carriers with fewer than 10,000 lines. Thus, carriers with over 50,000 do not receive LSS.¹⁴

Table 1.4 presents data on the LSS mechanism. The first column presents the projected sum of annual support payments that are made in 1999 to local telephone companies in each state. The second column expresses the same payments on a per-loop per-month basis. Column 3 shows estimated contributions by state. These are computed by multiplying the total LSS payments by the ratio of the interstate end-user revenues subject to USF in each state to total interstate end-user revenues subject to USF nationwide. The fourth column expresses those contributions on a per-loop per-month basis. The fifth column shows, for each state, the difference between the support and contributions on a total annual basis. The final column shows these amounts on a per-loop per-month basis.

¹³ The base level of support is frozen at 1997 levels.

¹⁴ Note that the sum of the LSS factor and the unweighted DEM factor shall not exceed 0.85. The weighting factors are based on line counts in 1998. The weighting factors are frozen at 1996 levels. For more details on weighting factors, refer to Table 3.6 of the *Monitoring Report*.

E. All High-Cost Support Mechanisms Combined

Table 1.5 summarizes the combined support and contributions for the three existing high-cost support mechanisms: HCL, LTS and LSS. The first column in Table 1.5 shows the total support payments of all the existing high-cost support mechanisms, and is the sum of the first columns of Tables 1.2 through 1.4. The total contributions are shown in the second column of Table 1.5, which is the sum of the third columns of Tables 1.2 to 1.4. The amount of the support received minus the amount of contributions paid are shown in the third column of Table 1.5, which is the sum of the fifth columns of Tables 1.2 through 1.4. The fourth column expresses total high-cost support on a per-loop per-month basis. The fifth column expresses total contributions to high-cost support mechanisms on a per-loop per-month basis. The final column shows the amount of support received minus the amount of contribution paid on a per-loop per-month basis.

F. Low-Income Support Mechanisms

Low-income consumers have historically been assisted through the lifeline and link-up mechanisms.¹⁵ The lifeline mechanism provides reduced monthly service charges to eligible low-income households. The link-up mechanism provides reduced connection charges for new low-income subscribers to establish service.

Table 1.6 presents data on low-income support mechanisms. The first column presents estimated 1999 payments from low-income support mechanisms. Payments for 1999 are annualized based on the first eight months of the year. The second column expresses the same payments on a per-loop per-month basis. Column 3 shows estimated contributions by state. These are computed by multiplying the total support payments for these mechanisms by the ratio of the interstate end-user revenues subject to USF in each state to total interstate end-user revenues subject to USF nationwide. The fourth column expresses those contributions on a per-loop per-month basis. The fifth column shows, for each state, the difference between the support and contributions on a total annual basis. The final column shows these amounts on a per-loop per-month basis.

G. All High-Cost and Low-Income Support Mechanisms Combined

Table 1.7 summarizes the combined support and contributions for the high-cost and low-income support mechanisms. The first column in Table 1.7 shows the total support payments of all the existing high-cost and low-income support mechanisms, and is the sum of the first columns of Tables 1.2, 1.3, 1.4 and 1.6. The total contributions are shown in the second column of Table 1.7, which is the sum of the third columns of Tables 1.2, 1.3, 1.4 and 1.6. The amount of the

¹⁵ Two other low-income support mechanisms, toll limitation and PICC reimbursement, were put in place in 1998 and are included in the analysis.

support received minus the amount of contributions paid are shown in the third column of Table 1.7, which is the sum of the fifth columns of Tables 1.2, 1.3, 1.4 and 1.6. The fourth column expresses total high-cost and low-income support on a per-loop per-month basis. The fifth column expresses total contributions to high-cost and low-income support mechanisms on a per-loop per-month basis. The final column shows the amount of support received minus the amount of contributions paid on a per-loop per-month basis.

H. High-Cost Support Mechanism : Rural Versus Non-Rural Carriers

1. Rural Carriers

Table 1.8 presents data on high-cost support mechanisms for rural carriers.¹⁶ The first column presents projected HCL payments to rural carriers in 1999. The second column presents projected LTS payments to rural carriers in 1999. The third column presents projected LSS payments to rural carriers in 1999. The fourth column shows the total support payment of all existing high-cost support mechanisms for rural carriers and is the sum of the first three columns of this table. Column 5 shows estimated contributions by state. The sixth column shows, for each state, the difference between high-cost support to rural carriers and contributions.

2. Non-Rural Carriers

Table 1.9 presents data on high-cost support mechanisms for non-rural carriers. The first column presents projected HCL payments to non-rural carriers in 1999. The second column presents projected LTS payments to non-rural carriers in 1999. The third column presents projected LSS payments to non-rural carriers in 1999. The fourth column shows the total support payment of all existing high-cost support mechanisms for non-rural carriers and is the sum of the first three columns of this table. Column 5 shows estimated contributions by state. The sixth column shows, for each state, the difference between high-cost support to non-rural carriers and contributions.

I. High-Cost Support per Loop

1. Rural Carriers

Table 1.10 summarizes high-cost support payments for rural carriers on a per rural-carrier, per-loop, per-month basis. The first column expresses the HCL payments. The second column

¹⁶ The sum of rural carriers and non-rural carriers high-cost support payment reported in Tables 1.8 and 1.9 do not equal total high-cost support reported in Tables 1.5. The total support in Table 1.5 includes a small amount of competitive local exchange carriers (CLEC) support payments in addition to rural and non-rural carrier support payments.

expresses the LTS payments. The third column expresses the LSS payments. The fourth column expresses total high-cost support payments of rural carriers.

2. Non-Rural Carriers

Table 1.11 summarizes high-cost support payments for non-rural carriers on a per non-rural-carrier, per loop, per month basis. The first column expresses the HCL payments. The second column expresses the LTS payments. The third column expresses the LSS payments. The fourth column expresses total high-cost support payments of rural carriers

III. Telephone Revenue by State

A. Industry and End-User Telephone Revenue

This report contains estimates, by state, of industry-wide billed telephone revenue and end-user revenue. End-user revenue is a subset of industry-wide billed telephone revenue. End-user revenue includes revenues associated with services to end-users and does not include resale (carrier's carrier) revenue.

The *Telecommunications Industry Revenue* report presents nationwide data on telephone revenues that are derived from information filed on USF and TRS (Telecommunications Relay Service) worksheets.¹⁷ Revenue from carriers that submitted USF worksheets is divided among incumbent local exchange carrier (except wireless), competitive local exchange carrier (CLEC), wireless, subscriber line charge (SLC), non-SLC access, and toll using information from the *Telecommunications Industry Revenue* report. Other revenue, including international-to-international revenue and revenue reported by carriers that filed TRS worksheets but not USF worksheets, is divided the same way. Figures 1 and 2 show industry-wide and end-user telecommunication revenue by these categories.¹⁸ Table 2.1 shows industry-wide and end-user revenue as well as carrier's carrier revenue.

¹⁷ On July 14, 1999, the Commission amended its rules so that contributors to the universal service support mechanisms and to the TRS Fund need only file one consolidated form -- the Telecommunications Reporting Worksheet -- rather than filing both the Universal Service Worksheet and the TRS Worksheet. *1998 Biennial Regulatory Review -- Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Services, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms*, Report and Order, FCC 99-175, CC Docket No. 98-171 (rel. July 14, 1999) (the new worksheet will also be used to calculate contributions to the cost-recovery mechanisms for numbering administration and local number portability). Thus, on April 1, 2000, all telecommunications carriers and certain other telecommunications providers will file their 1999 year-end revenue data in accordance with the Telecommunications Reporting Worksheet.

¹⁸ LEC toll and non-LEC intrastate toll are estimated. Refer to Section III.H.2.

Information from the *SOCC* is used to allocate nationwide revenue for local exchange service (excluding wireless), access revenue and toll revenue to each state. Information from access filings to the Commission is used to allocate SLC revenue. Nationwide CLEC revenue is allocated using data on CLEC numbering codes, numbers ported and incumbent LEC resold lines. Nationwide wireless revenue is allocated to each state by data on personal income in each state from the 1998 *Statistical Abstract of the United States*.

Revenues for Alaska, Guam, Northern Mariana Islands and the Virgin Islands are not estimated using data from the *SOCC* because these jurisdictions have no telephone companies subject to the FCC's ARMIS 43-01 and 43-08 reporting requirements. Intrastate telephone revenue for these jurisdictions are estimated based on the number of loops in the jurisdiction and the nationwide average revenue per loop. Interstate telephone revenue for these jurisdictions are estimated based on the number of access minutes in the jurisdiction and the nationwide average revenue per access minute. Intrastate revenues from the *Telecommunications Industry Revenue* report are reduced by 0.32% and interstate revenues by 0.37% before being allocated to the remaining 49 states, Puerto Rico and the District of Columbia. Table 2.1 presents adjusted nationwide revenue.¹⁹

Table 2.2 provides estimates of interstate and intrastate industry telephone revenue for 1998 by state for all telecommunication carriers. Table 2.3 provides estimates of interstate and intrastate end-user revenue for 1998 by state, and the percentage of interstate and intrastate end-user revenue subject to the universal service mechanism.²⁰ Table 2.4 provides estimates of end-user expenditures per loop per month for local exchange, SLC, interstate toll, intrastate toll and wireless.²¹

The remainder of this report provides details on how telephone revenue is allocated to the states. Section III.B provides details on adjusting revenue from the *SOCC* to take into account non-reporting carriers. Sections III.C through III.H refer to revenue estimates by state for local exchange, wireless, SLC, access and toll services. Sections III.I and III.J summarize the components included in intrastate and interstate telephone revenue.

¹⁹ The reduction of intrastate industry-wide revenue by 0.32% takes into account that Alaska, Northern Mariana Islands and Virgin Islands represent 0.32% of the nationwide USF loops (refer to Table 1.1). The reduction of interstate industry-wide revenue by 0.37% takes into account that Alaska, Northern Mariana Islands and Virgin Islands represent 0.37% of the nationwide access minutes (refer to Table 8.14 of the *Monitoring Report*).

²⁰ End-user revenue accumulated by *de minimis* carriers is not subject to the USF mechanism, nor is revenue associated with international-to-international calls.

²¹ Loops for year-end 1998 are reported in Table 1.1. SLCs per loop may appear to be low in states that have a high percentage of lifeline subscribers such as California. Lifeline customers do not pay SLCs. Loop counts from NECA include both non-lifeline and lifeline loops.

B. Adjustment for Non-Reporting Carriers

Data from the most recent *SOCC* are adjusted before they can be used to allocate nationwide revenue to the states. Data compiled in the *SOCC* include most incumbent local exchange carriers (ILECs) with revenues over \$112 million and exclude most ILECs with revenues less than \$112 million. The *SOCC* revenue data represent approximately 94 percent of the telephone industry based on USF loops. In this analysis, data from the *SOCC* are expanded to take into account the entire ILEC industry based on USF loops. The adjustment factor is calculated based on the percent of total loops reported in the *SOCC* in each state as of year-end 1997 and as of year-end 1998. Table 2.5 shows the percent of loops reported in each state from Table 2.3 of the *SOCC* for year-end 1997 and 1998 and shows the adjustment factor for each state.

C. Incumbent Local Exchange Revenue Excluding Wireless

Table 2.1 shows the industry-wide adjusted intrastate local exchange excluding wireless revenue being \$63.5 billion and the interstate portion being \$3.1 billion. Table 2.1 also shows the end-user adjusted intrastate local exchange excluding wireless revenue being \$60.1 billion and the interstate portion being \$0.4 billion. Intrastate and interstate local exchange revenue are allocated to each state by using adjusted basic local and miscellaneous revenue from the *SOCC*. Adjusted basic local and miscellaneous revenue are determined by multiplying intrastate basic local and miscellaneous revenue times the adjustment factor for each state as defined in Section III.B. The allocation factor for local exchange revenue excluding wireless is the ratio of the states adjusted basic and miscellaneous revenue to nationwide adjusted basic and miscellaneous revenue.

Industry-wide intrastate and interstate local exchange revenue are distributed to each state by multiplying the allocation factor for basic local and miscellaneous revenue times adjusted industry-wide intrastate and interstate local exchange revenue. End-user intrastate and interstate local exchange revenue are allocated the same way. Table 2.6 shows basic local and miscellaneous revenue reported in Table 2.13 of the *SOCC*, adjusted basic local and miscellaneous revenue, the allocation factor, and both end-user and industry-wide intrastate and interstate local exchange revenue by state.

D. Competitive Local Exchange Carrier (CLEC) Revenue

Table 2.1 shows the industry-wide adjusted intrastate CLEC revenue being \$2.3 billion and the interstate portion being \$1.6 billion. Table 2.1 also shows the end-user adjusted intrastate local exchange excluding wireless revenue being \$1.3 billion and the interstate portion being \$1.1 billion. Interstate and intrastate CLEC revenue is allocated to each state by using information on CLEC numbering codes, numbers ported and resold ILEC lines. Column 1 of Table 2.7 presents information on CLEC numbering codes by state for the third quarter of 1998.²² Column 2 presents data on numbers ported as of June 30, 1999.²³ Column 3 reports the number of lines provided by large ILECs to CLECs for resale as of December 31, 1998.²⁴ Column 4 shows each state's percentage of CLEC numbering codes. Column 5 shows each state's percentage of numbers ported. Column 6 shows each state's percentage of lines provided by large ILECs to CLECs for resale. The allocation percentage for CLEC revenue, presented in Column 7, is the simple average of Columns 4, 5 and 6. CLEC revenue by state is estimated by multiplying Column 7 by nationwide CLEC revenue. Interstate end-user and industry CLEC revenue are presented in Columns 8 and 9, respectively. Intrastate end-user and industry CLEC revenue are presented in Columns 10 and 11, respectively.

E. Wireless Revenue

Table 2.1 shows the industry-wide adjusted intrastate wireless revenue being \$32.7 billion and the interstate wireless revenue being \$3.6 billion. Table 2.1 also shows the end-user adjusted intrastate wireless revenue being \$29.7 billion and the interstate wireless revenue being \$3.4 billion. Industry-wide wireless revenue (both intrastate and interstate) is allocated to states by multiplying wireless revenue times the ratio of personal income in the state to the personal income in the United States. End-user wireless revenue is allocated the same way. Table 2.8 shows data on personal income by state for 1998 from Tables 732 and 1338 of the 1999 *Statistical Abstract of the United States*. End-user and industry-wide wireless revenues by state are reported in Table 2.8.

²² Industry Analysis Division, *Local Competition*, December 1998, Table 4.9. Delaware resides entirely in the Philadelphia LATA. Therefore, the staff estimated that the number of codes assigned to Delaware based on Delaware's percentage of nationwide ported lines and resold lines. All numbering codes not assigned to Delaware are assigned to Pennsylvania.

²³ The FCC receives proprietary monthly data from the North American Numbering Plan Administrator's number porting databases that contains the number of ported telephone numbers. The numbers ported for pooling are excluded in this analysis.

²⁴ Industry Analysis Division, *Local Competition*, August 1999, Table 3.1.

F. Subscriber Line Charge

Table 2.1 shows that adjusted interstate SLC revenue is \$9.5 billion. Information from the *SOCC* and from access tariff filings to the Commission is used to allocate SLC revenue to each state. Table 2.9 contains residential non-lifeline lines, single-line business lines and multiline business lines from Table 2.19 of the *SOCC*, and the percentage of lines operated by a Bell company, other price-cap companies, and NECA pool and rate-of-return carriers. Non-primary residential lines are estimated by multiplying the percentage of non-primary lines by the sum of residential non-lifeline lines and single-line business lines reported in the *SOCC*.²⁵ The sum of residential non-lifeline lines (including both primary and non-primary lines) and single-line business lines are estimated by multiplying residential non-lifeline lines and single-line business lines from the *SOCC* by the adjustment factor for each state as defined in Section III.B. Primary residential and single-line business lines is the difference between the sum of all residential non-lifeline lines and single-line business lines and estimated non-primary lines. Adjusted multiline business lines are estimated for the industry by multiplying the number of lines by the adjustment factor as defined in Section III.B.

Multiline business SLC revenue per line per month for price-cap companies in each state is estimated as the rate in effect on January 1, 1998. These data are based on access tariffs filed with the FCC. Multiline business rate for the NECA pool and rate-of-return carriers are assumed to be \$6.00 per line per month.²⁶ The percentage of lines that are Bell operating companies, other price-cap companies and NECA pool and rate-of-return is determined based on data on USF loops that is filed by NECA in conjunction with its universal service filing. Statewide multiline business SLC revenue per line per month is determined by the weighted average of the Bell operating company SLC rate, other price-cap companies rate, and the \$6.00 rate for NECA pool and rate-of-return carriers.

Primary residential and single-line business lines SLC revenues are \$3.50 per line per month for all jurisdictions other than the District of Columbia. The rate in the District of Columbia was \$3.24 per month as of January 1, 1998. Non-primary SLC revenue per line per month for price-cap companies in each state was \$5.00 per line for all jurisdictions other than Nevada and the District of Columbia. The rates were \$3.67 per month in the District of Columbia, and averaged \$4.72 per month in Nevada.

²⁵ Carriers that are not subject to price-cap regulation charge the same rate for a customer's first lines as they do for additional lines. Staff estimated the percentage of non-lifeline residential and single-line business lines that are charged the non-primary access rates based on data that the Commission receives from access filings from price-cap carriers. Our estimates of non-primary lines are computed using data at the Tariff Review Plan (TRP) level. Thus, our estimates assume that the percent of Bell Atlantic's non-primary lines are the same in each of its states.

²⁶ The multiline business rate for NECA pool carriers is \$6.00 per line per month. The multiline business SLC cap for rate-of-return carriers is \$6.00 per line per month.

Estimated SLC revenue for each state, using data from price-cap filings and the *SOCC*, is determined by the following formula: $12 * [\$3.50 * (\text{Primary Residential Line and Single-Line Business}) + \text{Statewide Multiline Business SLC per Line per Month} * (\text{Adjusted Multiline Business lines}) + \text{Non-primary lines} * \text{Statewide non-primary SLC per Line per Month}]$. The allocation factor for SLC revenue is the ratio of estimated state's SLC revenue by the estimated nationwide SLC revenue. SLC revenue is distributed to each state by multiplying the allocation factor for estimated SLC revenue times adjusted industry-wide SLC revenue. SLC rates and revenue by state are reported in Table 2.10.

G. Access Revenue and Private Line Revenue

1. Interstate Access Revenue and Private Line Revenue

Table 2.1 shows the industry-wide adjusted interstate switched and special access and private line revenue being \$15.6 billion. Table 2.1 also shows end-user adjusted interstate switched and special access and private line revenue being \$1.7 billion. Interstate access revenue and private line revenue are allocated to each state by using information on access revenue from the most recent *SOCC*. Adjusted interstate access revenue is determined by multiplying interstate access revenue from the *SOCC* times the adjustment factor for each state as defined in Section III.B. Net access revenue is the difference between adjusted interstate access revenue and SLC revenue determined in Section III.F (Table 2.10). The allocation factor for access revenue and private line revenue is the ratio of net interstate access revenue to nationwide interstate net access revenue.

Industry-wide interstate access revenue and private line revenue are distributed to each state by multiplying the allocation factor for net interstate access revenue times the adjusted industry-wide interstate access revenue and private line revenue. End-user interstate access revenue and private line revenue are allocated the same way. Table 2.11 shows interstate access revenue reported in Table 2.13 of the *SOCC*, adjusted interstate access revenue from the *SOCC*, net interstate access revenue and the allocation factor for interstate access and private line revenue, and end-user and industry-wide access and private line revenue by state.

2. Intrastate Access Revenue

Table 2.1 shows the industry-wide adjusted intrastate access revenue being \$8.5 billion and end-user adjusted intrastate access revenue being \$0.3 billion.²⁷ Intrastate access revenue is allocated to each state by using adjusted state access revenue from the most recent *SOCC*. Adjusted state access revenue is determined by multiplying state access revenue from the *SOCC* times the adjustment factor for each state as defined in Section III.B. The allocation factor for

²⁷ Intrastate special access and private line revenue in this analysis are included in the local exchange revenue excluding wireless category.

intrastate access revenue is the ratio of the state adjusted state access revenue to nationwide adjusted state access revenue.

Industry-wide intrastate access revenue is distributed to each state by multiplying the allocation factor for intrastate access revenue times the adjusted industry-wide intrastate access revenue. End-user intrastate access revenue is allocated the same way. Table 2.12 shows state access revenue reported in Table 2.13 of the *SOCC*, adjusted state access revenue from the *SOCC*, the allocation factor for intrastate access revenue and end-user and industry-wide intrastate access revenue by state.

H. Toll Revenue

1. Local Exchange Carrier (LEC) Toll Revenue

Adjusted LEC toll revenue is determined by multiplying state toll revenue by the adjustment factor for each state as defined in Section III.B. Table 2.13 shows LEC toll revenue reported in Table 2.13 of the *SOCC*, and adjusted LEC toll revenue.²⁸

2. Non-LEC Intrastate Toll

Table 2.1 shows the adjusted industry-wide intrastate toll revenue being \$34.6 billion and adjusted end-user intrastate toll revenue being \$31.0 billion. These figures include both LEC toll revenue and non-LEC toll revenue.²⁹ Table 2.13 shows that nationwide LEC toll revenue is estimated at \$8.5 billion. Industry-wide non-LEC intrastate toll revenue of \$26.1 billion shown in Table 2.14 is the difference between the industry-wide adjusted estimate of total intrastate toll revenue and LEC toll revenue. Similarly, end-user non-LEC intrastate toll revenue of \$22.5 billion shown in Table 2.14 is the difference between end-user adjusted estimate of total intrastate toll revenue and intralata toll revenue.

Table 2.14 shows intrastate-interlata access minutes (originating and terminating) from Table 2.6 of the *SOCC*. Adjusted intrastate-interlata access minutes are estimated by multiplying intrastate-interlata access minutes in each state by the adjustment factor.³⁰ Industry non-LEC intrastate toll revenue is allocated to the states by multiplying the adjusted industry-wide intrastate-interlata toll revenue times the ratio of each state adjusted intrastate-interlata access

²⁸ LEC toll revenue is assumed to be intrastate revenue .

²⁹ CLEC intrastate revenue is not included in these totals. CLEC revenue is allocated in Section III.D.

³⁰ Non-LEC toll revenue is allocated by intrastate-interlata access minutes and not by non-LEC intrastate access minutes. The FCC only has data on interlata portion of intrastate non-LEC access minutes.

minutes to the nationwide adjusted intrastate-interlata access minutes. End-user non-LEC intrastate toll revenue is allocated to the same way. End-user and industry-wide non-LEC intrastate toll revenue are presented in Table 2.14.

3. Interstate Toll

Table 2.1 shows the adjusted industry-wide interstate toll revenue being \$70.4 billion and adjusted end-user toll revenue being \$60.0 billion.³¹ Table 2.15 shows interstate access minutes (originating and terminating) from Table 2.6 of the *SOCC*. Adjusted interstate access minutes are estimated by multiplying interstate access minutes in each state by the adjustment factors, which are defined in Section III.B.

Industry-wide interstate toll revenue is allocated to the states by multiplying interstate toll revenue times the ratio of each state's adjusted interstate access minutes to nationwide adjusted interstate access minutes. End-user toll revenue is allocated the same way. End-user and industry-wide interstate toll revenue is presented in Table 2.15.

I. Intrastate Revenue

1. Intrastate Industry Telephone Revenue

Intrastate industry telephone revenue includes: intrastate industry local exchange (Section III.C), intrastate industry CLEC (Section III.D), intrastate industry wireless (Section III.E), intrastate industry access revenue (Section III.G.2), LEC toll (Section III.H.1) and non-LEC intrastate industry toll (Section III.H.2). Estimated intrastate industry telephone revenue for Alaska, Guam, Northern Mariana Islands and the Virgin Islands is determined by multiplying the nationwide average intrastate industry telephone revenue per loop by the number of loops in the jurisdiction. The components of intrastate industry telephone revenue are presented in Table 2.16.

2. Intrastate End-User Telephone Revenue

Intrastate end-user telephone revenue includes: intrastate end-user local exchange (Section III.C), intrastate CLEC end-user (Section III.D) intrastate end-user wireless (Section III.E), intrastate end-user access revenue (Section III.G.2), LEC toll (Section III.H.1) and non-LEC intrastate end-user toll (Section III.H.2). Estimated intrastate end-user revenue for Alaska, Guam, Northern Mariana Islands and the Virgin Islands is determined by multiplying the nationwide average intrastate end-user revenue per loop by the number of loops in the jurisdiction. The components of intrastate end-user revenue are presented in Table 2.17.

³¹ CLEC revenue is not included in the total.

J. Interstate Revenue

1. Interstate Industry Telephone Revenue

Interstate industry telephone revenue includes : interstate industry local exchange (Section III.C), interstate industry CLEC (Section III.D) interstate industry wireless (Section III.E), SLC revenue (Section III.F), interstate industry access and private line revenue (Section III.G.1) and interstate industry toll (Section III.H.3). Estimated interstate industry telephone revenue for Alaska, Guam, Northern Mariana Islands and the Virgin Islands is determined by multiplying the nationwide average interstate industry telephone revenue per access minute by the number of access minutes in the jurisdiction. The components of interstate industry telephone revenue are presented in Table 2.18.

2. Interstate End-User Telephone Revenue

Interstate end-user telephone revenue includes : interstate end-user local exchange (Section III.C), interstate end-user CLEC (Section III.D), interstate end-user wireless (Section III.E), SLC revenue (Section III.F), interstate end-user access and private line revenue (Section III.G.1) and interstate toll (Section III.H.3). Estimated interstate end-user revenue for Alaska, Guam, Northern Mariana Islands and the Virgin Islands is determined by multiplying the nationwide average interstate end-user revenue per loop by the number of loops in the jurisdiction. The components of interstate end-user revenue are presented in Table 2.19.

Table 1.1
General Information

	<i>USF Loops 1998</i>	<i>Non-Rural Carrier Loops 1998</i>	<i>Percent Non-Rural Carrier Loops</i>	<i>Rural Carrier Loops 1998</i>	<i>Percent Rural Carrier Loops</i>	<i>Interstate End-User Revenue, Reported to USF: 1998 (Millions)</i>	<i>Interstate End-User Revenue, Reported to USF, Per Loop Per Month: 1998</i>
Alabama	2,464,723	2,246,840	91.2 %	217,883	8.8 %	\$1,002	\$33.87
Alaska	408,528	155,431	38.0	253,097	62.0	193	39.35
Arizona	2,870,957	2,687,683	93.6	183,274	6.4	1,504	43.65
Arkansas	1,422,174	979,814	68.9	442,360	31.1	606	35.53
California	22,221,866	22,000,217	99.0	221,649	1.0	7,191	26.97
Colorado	2,756,829	2,633,542	95.5	123,287	4.5	1,497	45.26
Connecticut	2,211,646	2,188,763	99.0	22,883	1.0	1,170	44.09
Delaware	558,152	558,152	100.0	0	0.0	296	44.13
Dist. of Columbia	934,397	934,397	100.0	0	0.0	402	35.84
Florida	10,958,464	10,780,347	98.4	178,117	1.6	4,961	37.73
Georgia	5,005,071	4,181,693	83.5	823,378	16.5	2,401	39.98
Hawaii	717,840	717,732	100.0	108	0.0	311	36.06
Idaho	706,842	508,665	72.0	198,177	28.0	373	43.99
Illinois	8,209,285	7,885,975	96.1	323,310	3.9	3,275	33.25
Indiana	3,589,181	3,183,752	88.7	405,429	11.3	1,365	31.68
Iowa	1,641,411	1,066,349	65.0	575,062	35.0	722	36.68
Kansas	1,649,694	1,385,402	84.0	264,292	16.0	728	36.78
Kentucky	2,133,791	1,855,631	87.0	278,160	13.0	927	36.20
Louisiana	2,529,434	2,347,702	92.8	181,732	7.2	1,014	33.42
Maine	824,657	688,700	83.5	135,957	16.5	349	35.27
Maryland	3,636,024	3,629,056	99.8	6,968	0.2	1,621	37.16
Massachusetts	4,514,497	4,510,477	99.9	4,020	0.1	2,076	38.32
Michigan	6,413,849	6,134,770	95.6	279,079	4.4	2,074	26.94
Minnesota	2,992,979	2,330,404	77.9	662,575	22.1	1,289	35.89
Mississippi	1,369,549	1,280,362	93.5	89,187	6.5	615	37.42
Missouri	3,450,562	2,972,424	86.1	478,138	13.9	1,396	33.71
Montana	523,491	358,852	68.5	164,639	31.5	269	42.82
Nebraska	1,014,675	816,622	80.5	198,053	19.5	467	38.35
Nevada	1,277,520	1,186,788	92.9	90,732	7.1	672	43.86
New Hampshire	843,954	789,855	93.6	54,099	6.4	492	48.56
New Jersey	6,475,414	6,252,611	96.6	222,803	3.4	3,136	40.36
New Mexico	925,007	786,574	85.0	138,433	15.0	501	45.13
New York	12,843,788	12,132,591	94.5	711,197	5.5	5,478	35.54
North Carolina	4,942,302	4,392,205	88.9	550,097	11.1	2,196	37.03
North Dakota	409,977	250,274	61.0	159,703	39.0	198	40.34
Ohio	6,885,318	6,377,066	92.6	508,252	7.4	2,523	30.54
Oklahoma	2,018,166	1,783,089	88.4	235,077	11.6	826	34.09
Oregon	2,078,801	1,822,594	87.7	256,207	12.3	978	39.19
Pennsylvania	8,212,052	6,888,984	83.9	1,323,068	16.1	3,132	31.78
Rhode Island	661,033	661,033	100.0	0	0.0	326	41.09
South Carolina	2,248,204	1,654,996	73.6	593,208	26.4	1,066	39.53
South Dakota	418,032	273,563	65.4	144,469	34.6	223	44.42
Tennessee	3,368,829	2,940,735	87.3	428,094	12.7	1,465	36.24
Texas	12,616,588	11,925,678	94.5	690,910	5.5	4,774	31.53
Utah	1,138,089	1,081,672	95.0	56,417	5.0	569	41.68
Vermont	401,871	339,570	84.5	62,301	15.5	213	44.09
Virginia	4,574,942	4,425,939	96.7	149,003	3.3	2,215	40.35
Washington	3,662,585	3,233,705	88.3	428,880	11.7	1,641	37.34
West Virginia	986,538	824,403	83.6	162,135	16.4	423	35.77
Wisconsin	3,392,025	2,675,692	78.9	716,333	21.1	1,181	29.02
Wyoming	289,863	240,854	83.1	49,009	16.9	174	49.90
United States	178,401,466	163,960,225	91.9	14,441,241	8.1	74,497	34.80
Guam	75,051	0	0.0	75,051	100.0	32	35.01
N. Mariana Isl.	20,639	0	0.0	20,639	100.0	10	39.57
Puerto Rico	1,261,733	1,261,733	100.0	0	0.0	334	22.05
Virgin Islands	63,234	0	0.0	63,234	100.0	43	56.33
Grand Total	179,822,123	165,221,958	91.9 %	14,600,165	8.1 %	\$74,915	\$34.72

Figures may not add up due to rounding.

* USF loops, a measure of access lines, are defined in subcategory 1.3 of 47 CFR 36.154(a).

Table 1.2
Projected High-Cost Loop (HCL) Support: 1999

	<i>Annual Payments (Thousands)</i>	<i>Monthly Payments Per Loop</i>	<i>Annual Contributions (Thousands)</i>	<i>Monthly Contributions Per Loop</i>	<i>Annual Payments Less Contributions (Thousands)</i>	<i>Monthly Payments Less Contributions Per Loop</i>
Alabama	\$21,763	\$0.74	\$11,557	\$0.39	\$10,206	\$0.35
Alaska	36,947	7.54	2,225	0.45	34,722	7.08
Arizona	18,633	0.54	17,348	0.50	1,285	0.04
Arkansas	51,028	2.99	6,994	0.41	44,033	2.58
California	30,136	0.11	82,959	0.31	-52,823	-0.20
Colorado	28,273	0.85	17,274	0.52	10,999	0.33
Connecticut	0	0.00	13,498	0.51	-13,498	-0.51
Delaware	0	0.00	3,410	0.51	-3,410	-0.51
Dist. of Columbia	0	0.00	4,635	0.41	-4,635	-0.41
Florida	9,800	0.07	57,232	0.44	-47,432	-0.36
Georgia	37,700	0.63	27,701	0.46	9,999	0.17
Hawaii	360	0.04	3,583	0.42	-3,222	-0.37
Idaho	19,706	2.32	4,304	0.51	15,402	1.82
Illinois	20,580	0.21	37,784	0.38	-17,204	-0.17
Indiana	3,191	0.07	15,742	0.37	-12,551	-0.29
Iowa	3,715	0.19	8,334	0.42	-4,619	-0.23
Kansas	39,363	1.99	8,399	0.42	30,963	1.56
Kentucky	9,484	0.37	10,693	0.42	-1,208	-0.05
Louisiana	40,948	1.35	11,701	0.39	29,247	0.96
Maine	5,255	0.53	4,027	0.41	1,228	0.12
Maryland	0	0.00	18,705	0.43	-18,705	-0.43
Massachusetts	48	0.00	23,945	0.44	-23,897	-0.44
Michigan	16,786	0.22	23,922	0.31	-7,136	-0.09
Minnesota	11,760	0.33	14,872	0.41	-3,112	-0.09
Mississippi	18,334	1.12	7,095	0.43	11,239	0.68
Missouri	33,167	0.80	16,100	0.39	17,067	0.41
Montana	25,146	4.00	3,103	0.49	22,044	3.51
Nebraska	6,645	0.55	5,387	0.44	1,259	0.10
Nevada	4,237	0.28	7,757	0.51	-3,521	-0.23
New Hampshire	1,648	0.16	5,673	0.56	-4,025	-0.40
New Jersey	0	0.00	36,175	0.47	-36,175	-0.47
New Mexico	20,891	1.88	5,779	0.52	15,112	1.36
New York	13,228	0.09	63,195	0.41	-49,967	-0.32
North Carolina	14,361	0.24	25,331	0.43	-10,971	-0.18
North Dakota	5,064	1.03	2,289	0.47	2,774	0.56
Ohio	5,246	0.06	29,109	0.35	-23,862	-0.29
Oklahoma	27,824	1.15	9,523	0.39	18,301	0.76
Oregon	20,201	0.81	11,276	0.45	8,924	0.36
Pennsylvania	901	0.01	36,129	0.37	-35,227	-0.36
Rhode Island	0	0.00	3,760	0.47	-3,760	-0.47
South Carolina	21,094	0.78	12,301	0.46	8,793	0.33
South Dakota	4,236	0.84	2,571	0.51	1,666	0.33
Tennessee	10,845	0.27	16,898	0.42	-6,053	-0.15
Texas	73,724	0.49	55,072	0.36	18,652	0.12
Utah	3,936	0.29	6,567	0.48	-2,630	-0.19
Vermont	4,275	0.89	2,453	0.51	1,822	0.38
Virginia	4,688	0.09	25,553	0.47	-20,865	-0.38
Washington	23,980	0.55	18,933	0.43	5,047	0.11
West Virginia	18,515	1.56	4,885	0.41	13,630	1.15
Wisconsin	14,772	0.36	13,625	0.33	1,146	0.03
Wyoming	16,166	4.65	2,002	0.58	14,164	4.07
United States	798,602	0.37	859,387	0.40	-60,785	-0.03
Guam	426	0.47	364	0.40	63	0.07
N. Mariana Isl.	4,743	19.15	113	0.46	4,629	18.69
Puerto Rico	44,566	2.94	3,851	0.25	40,715	2.69
Virgin Islands	15,872	20.92	493	0.65	15,379	20.27
Grand Total	\$864,208	\$0.40	\$864,208	\$0.40	\$0	\$0.00

Table 1.3
Projected Long-Term Support (LTS): 1999

	<i>Annual Payment (Thousand)</i>	<i>Monthly Payment Per Loop</i>	<i>Annual Contribution (Thousands)</i>	<i>Monthly Contribution Per Loop</i>	<i>Annual Payments Less Contributions (Thousands)</i>	<i>Monthly Payments Less Contributions Per Loop</i>
Alabama	\$7,261	\$0.25	\$6,326	\$0.21	\$934	\$0.03
Alaska	16,783	3.42	1,218	0.25	15,565	3.17
Arizona	3,080	0.09	9,496	0.28	-6,417	-0.19
Arkansas	15,238	0.89	3,829	0.22	11,409	0.67
California	13,137	0.05	45,412	0.17	-32,276	-0.12
Colorado	11,987	0.36	9,456	0.29	2,531	0.08
Connecticut	161	0.01	7,389	0.28	-7,228	-0.27
Delaware	0	0.00	1,867	0.28	-1,867	-0.28
Dist. of Columbia	0	0.00	2,537	0.23	-2,537	-0.23
Florida	5,268	0.04	31,329	0.24	-26,062	-0.20
Georgia	17,682	0.29	15,164	0.25	2,518	0.04
Hawaii	0	0.00	1,961	0.23	-1,961	-0.23
Idaho	3,424	0.40	2,356	0.28	1,068	0.13
Illinois	6,149	0.06	20,683	0.21	-14,534	-0.15
Indiana	5,082	0.12	8,617	0.20	-3,535	-0.08
Iowa	7,164	0.36	4,562	0.23	2,602	0.13
Kansas	11,336	0.57	4,598	0.23	6,738	0.34
Kentucky	4,850	0.19	5,853	0.23	-1,003	-0.04
Louisiana	16,560	0.55	6,405	0.21	10,155	0.33
Maine	5,948	0.60	2,204	0.22	3,744	0.38
Maryland	90	0.00	10,239	0.23	-10,149	-0.23
Massachusetts	101	0.00	13,108	0.24	-13,007	-0.24
Michigan	9,722	0.13	13,095	0.17	-3,373	-0.04
Minnesota	12,030	0.33	8,141	0.23	3,889	0.11
Mississippi	5,024	0.31	3,884	0.24	1,141	0.07
Missouri	10,609	0.26	8,813	0.21	1,795	0.04
Montana	9,908	1.58	1,698	0.27	8,209	1.31
Nebraska	3,822	0.31	2,949	0.24	873	0.07
Nevada	907	0.06	4,246	0.28	-3,339	-0.22
New Hampshire	1,497	0.15	3,106	0.31	-1,609	-0.16
New Jersey	0	0.00	19,803	0.25	-19,803	-0.25
New Mexico	6,098	0.55	3,163	0.28	2,934	0.26
New York	6,737	0.04	34,594	0.22	-27,856	-0.18
North Carolina	11,931	0.20	13,867	0.23	-1,935	-0.03
North Dakota	5,922	1.20	1,253	0.25	4,668	0.95
Ohio	5,161	0.06	15,934	0.19	-10,774	-0.13
Oklahoma	16,246	0.67	5,213	0.22	11,033	0.46
Oregon	9,160	0.37	6,173	0.25	2,987	0.12
Pennsylvania	13,994	0.14	19,777	0.20	-5,783	-0.06
Rhode Island	0	0.00	2,058	0.26	-2,058	-0.26
South Carolina	10,986	0.41	6,734	0.25	4,252	0.16
South Dakota	4,989	0.99	1,407	0.28	3,582	0.71
Tennessee	10,288	0.25	9,250	0.23	1,038	0.03
Texas	29,351	0.19	30,147	0.20	-796	-0.01
Utah	1,473	0.11	3,595	0.26	-2,122	-0.16
Vermont	2,365	0.49	1,343	0.28	1,022	0.21
Virginia	3,308	0.06	13,988	0.25	-10,679	-0.19
Washington	13,134	0.30	10,364	0.24	2,769	0.06
West Virginia	1,051	0.09	2,674	0.23	-1,623	-0.14
Wisconsin	13,294	0.33	7,459	0.18	5,836	0.14
Wyoming	4,455	1.28	1,096	0.32	3,359	0.97
United States	374,761	0.18	470,436	0.22	-95,675	-0.04
Guam	1,927	2.14	199	0.22	1,728	1.92
N. Mariana Isl.	0	0.00	62	0.25	-62	-0.25
Puerto Rico	89,254	5.89	2,108	0.14	87,146	5.76
Virgin Islands	7,133	9.40	270	0.36	6,863	9.04
Grand Total	\$473,074	\$0.22	\$473,074	\$0.22	\$0	\$0.00

Table 1.4
Projected Local Switching Support (LSS): 1999

	<i>Annual Payment (Thousand)</i>	<i>Monthly Payment Per Loop</i>	<i>Annual Contribution (Thousands)</i>	<i>Monthly Contribution Per Loop</i>	<i>Annual Payments Less Contributions (Thousands)</i>	<i>Monthly Payments Less Contributions Per Loop</i>
Alabama	\$8,464	\$0.29	\$5,123	\$0.17	\$3,341	\$0.11
Alaska	14,703	3.00	987	0.20	13,717	2.80
Arizona	9,826	0.29	7,691	0.22	2,135	0.06
Arkansas	8,191	0.48	3,101	0.18	5,090	0.30
California	7,370	0.03	36,778	0.14	-29,408	-0.11
Colorado	3,824	0.12	7,658	0.23	-3,834	-0.12
Connecticut	763	0.03	5,984	0.23	-5,221	-0.20
Delaware	0	0.00	1,512	0.23	-1,512	-0.23
Dist. of Columbia	0	0.00	2,055	0.18	-2,055	-0.18
Florida	3,635	0.03	25,373	0.19	-21,738	-0.17
Georgia	12,319	-0.21	12,281	0.20	39	0.00
Hawaii	515	0.06	1,588	0.18	-1,073	-0.12
Idaho	6,307	0.74	1,908	0.22	4,399	0.52
Illinois	11,860	0.12	16,751	0.17	-4,891	-0.05
Indiana	7,672	0.18	6,979	0.16	694	0.02
Iowa	13,838	0.70	3,695	0.19	10,143	0.51
Kansas	13,502	0.68	3,724	0.19	9,779	0.49
Kentucky	4,944	0.19	4,740	0.19	203	0.01
Louisiana	7,374	0.24	5,187	0.17	2,187	0.07
Maine	6,612	0.67	1,785	0.18	4,827	0.49
Maryland	445	0.01	8,293	0.19	-7,848	-0.18
Massachusetts	376	0.01	10,615	0.20	-10,240	-0.19
Michigan	7,909	0.10	10,605	0.14	-2,696	-0.04
Minnesota	17,085	0.48	6,593	0.18	10,492	0.29
Mississippi	3,381	0.21	3,145	0.19	236	0.01
Missouri	7,513	0.18	7,138	0.17	376	0.01
Montana	8,864	1.41	1,376	0.22	7,489	1.19
Nebraska	10,225	0.84	2,388	0.20	7,837	0.64
Nevada	5,707	0.37	3,439	0.22	2,268	0.15
New Hampshire	5,044	0.50	2,515	0.25	2,529	0.25
New Jersey	1,365	0.02	16,037	0.21	-14,673	-0.19
New Mexico	8,502	0.77	2,562	0.23	5,940	0.54
New York	18,308	0.12	28,016	0.18	-9,708	-0.06
North Carolina	5,618	0.09	11,230	0.19	-5,613	-0.09
North Dakota	10,495	2.13	1,015	0.21	9,480	1.93
Ohio	4,600	0.06	12,905	0.16	-8,305	-0.10
Oklahoma	13,226	0.55	4,222	0.17	9,004	0.37
Oregon	7,238	0.29	4,999	0.20	2,239	0.09
Pennsylvania	6,861	0.07	16,017	0.16	-9,156	-0.09
Rhode Island	0	0.00	1,667	0.21	-1,667	-0.21
South Carolina	10,598	0.39	5,453	0.20	5,145	0.19
South Dakota	9,096	1.81	1,140	0.23	7,956	1.59
Tennessee	8,049	0.20	7,491	0.19	558	0.01
Texas	16,482	0.11	24,415	0.16	-7,933	-0.05
Utah	5,996	0.44	2,911	0.21	3,085	0.23
Vermont	5,208	1.08	1,087	0.23	4,121	0.85
Virginia	4,367	0.08	11,328	0.21	-6,962	-0.13
Washington	5,897	0.13	8,394	0.19	-2,496	-0.06
West Virginia	3,573	0.30	2,166	0.18	1,408	0.12
Wisconsin	22,547	0.55	6,040	0.15	16,507	0.41
Wyoming	4,746	1.36	888	0.26	3,858	1.11
United States	381,040	0.18	380,988	0.18	52	0.00
Guam	0	0.00	161	0.18	-161	-0.18
N. Mariana Isl.	2,085	8.42	50	0.20	2,035	8.22
Puerto Rico	0	0.00	1,707	0.11	-1,707	-0.11
Virgin Islands	0	0.00	219	0.29	-219	-0.29
Grand Total	\$383,125	\$0.18	\$383,125	\$0.18	\$0	\$0.00

Table 1.5
All High-Cost Support Mechanisms (HCL, LTS and LSS): 1999

	<i>Annual Payments (Thousands)</i>	<i>Annual Contributions (Thousands)</i>	<i>Annual Payments Less Contributions (Thousands)</i>	<i>Monthly Payments Per Loop</i>	<i>Monthly Contributions Per Loop</i>	<i>Monthly Payments Less Contributions Per Loop</i>
Alabama	\$37,487	\$23,006	\$14,481	\$1.27	\$0.78	0.49
Alaska	68,433	4,430	64,003	13.96	0.90	13.06
Arizona	31,539	34,535	-2,996	0.92	1.00	-0.09
Arkansas	74,456	13,924	60,532	4.36	0.82	3.55
California	50,643	165,149	-114,506	0.19	0.62	-0.43
Colorado	44,084	34,388	9,696	1.33	1.04	0.29
Connecticut	924	26,872	-25,947	0.03	1.01	-0.98
Delaware	0	6,788	-6,788	0.00	1.01	-1.01
Dist. of Columbia	0	9,228	-9,228	0.00	0.82	-0.82
Florida	18,702	113,934	-95,232	0.14	0.87	-0.72
Georgia	67,702	55,145	12,557	1.13	0.92	0.21
Hawaii	876	7,133	-6,257	0.10	0.83	-0.73
Idaho	29,437	8,568	20,868	3.47	1.01	2.46
Illinois	38,589	75,218	-36,629	0.39	0.76	-0.37
Indiana	15,946	31,339	-15,393	0.37	0.73	-0.36
Iowa	24,717	16,591	8,126	1.25	0.84	0.41
Kansas	64,201	16,721	47,480	3.24	0.84	2.40
Kentucky	19,278	21,286	-2,008	0.75	0.83	-0.08
Louisiana	64,882	23,293	41,589	2.14	0.77	1.37
Maine	17,815	8,016	9,799	1.80	0.81	0.99
Maryland	535	37,237	-36,702	0.01	0.85	-0.84
Massachusetts	525	47,668	-47,143	0.01	0.88	-0.87
Michigan	34,417	47,623	-13,206	0.45	0.62	-0.17
Minnesota	40,875	29,605	11,269	1.14	0.82	0.31
Mississippi	26,740	14,123	12,616	1.63	0.86	0.77
Missouri	51,289	32,051	19,238	1.24	0.77	0.46
Montana	43,919	6,177	37,742	6.99	0.98	6.01
Nebraska	20,693	10,724	9,969	1.70	0.88	0.82
Nevada	10,851	15,443	-4,592	0.71	1.01	-0.30
New Hampshire	8,189	11,294	-3,105	0.81	1.12	-0.31
New Jersey	1,365	72,015	-70,651	0.02	0.93	-0.91
New Mexico	35,491	11,504	23,987	3.20	1.04	2.16
New York	38,274	125,805	-87,532	0.25	0.82	-0.57
North Carolina	31,910	50,428	-18,519	0.54	0.85	-0.31
North Dakota	21,480	4,558	16,923	4.37	0.93	3.44
Ohio	15,007	57,948	-42,941	0.18	0.70	-0.52
Oklahoma	57,296	18,958	38,338	2.37	0.78	1.58
Oregon	36,599	22,448	14,150	1.47	0.90	0.57
Pennsylvania	21,756	71,923	-50,167	0.22	0.73	-0.51
Rhode Island	0	7,485	-7,485	0.00	0.94	-0.94
South Carolina	42,679	24,489	18,190	1.58	0.91	0.67
South Dakota	18,321	5,117	13,204	3.65	1.02	2.63
Tennessee	29,182	33,640	-4,458	0.72	0.83	-0.11
Texas	119,557	109,634	9,922	0.79	0.72	0.07
Utah	11,406	13,073	-1,667	0.84	0.96	-0.12
Vermont	11,848	4,883	6,965	2.46	1.01	1.44
Virginia	12,363	50,869	-38,506	0.23	0.93	-0.70
Washington	43,011	37,691	5,320	0.98	0.86	0.12
West Virginia	23,139	9,724	13,415	1.95	0.82	1.13
Wisconsin	50,613	27,124	23,489	1.24	0.67	0.58
Wyoming	25,368	3,986	21,382	7.29	1.15	6.15
United States	\$1,554,403	1,710,811	-156,408	0.73	0.80	-0.07
Guam	2,353	724	1,629	2.61	0.80	1.81
N. Mariana Isl.	6,828	225	6,603	27.57	0.91	26.66
Puerto Rico	133,819	7,666	126,153	8.84	0.51	8.33
Virgin Islands	23,005	982	22,023	30.32	1.29	29.02
Grand Total	\$1,720,408	\$1,720,408	\$0	\$0.80	\$0.80	\$0.00

Table 1.6
Low-Income Support Mechanisms: 1999*

	<i>Annual Payments (Thousands)</i>	<i>Monthly Payment Per Loop</i>	<i>Annual Contributions</i>	<i>Monthly Contributions Per Loop</i>	<i>Annual Payments Less Contributions (Thousands)</i>	<i>Monthly Payments Less Contributions Per Loop</i>
Alabama	\$1,609	\$0.05	\$6,420	\$0.22	-\$4,811	-\$0.16
Alaska	363	0.07	1,236	0.25	-873	-0.18
Arizona	1,859	0.05	9,637	0.28	-7,778	-0.23
Arkansas	702	0.04	3,886	0.23	-3,184	-0.19
California	276,261	1.04	46,086	0.17	230,175	0.86
Colorado	2,013	0.06	9,596	0.29	-7,584	-0.23
Connecticut	4,306	0.16	7,499	0.28	-3,193	-0.12
Delaware	53	0.01	1,894	0.28	-1,841	-0.27
Dist. of Columbia	880	0.08	2,575	0.23	-1,695	-0.15
Florida	11,210	0.09	31,794	0.24	-20,585	-0.16
Georgia	6,482	0.11	15,389	0.26	-8,907	-0.15
Hawaii	917	0.11	1,990	0.23	-1,074	-0.12
Idaho	1,291	0.15	2,391	0.28	-1,101	-0.13
Illinois	3,417	0.03	20,990	0.21	-17,574	-0.18
Indiana	1,319	0.03	8,745	0.20	-7,426	-0.17
Iowa	399	0.02	4,630	0.24	-4,231	-0.21
Kansas	470	0.02	4,666	0.24	-4,196	-0.21
Kentucky	1,876	0.07	5,940	0.23	-4,064	-0.16
Louisiana	675	0.02	6,500	0.21	-5,825	-0.19
Maine	6,147	0.62	2,237	0.23	3,910	0.40
Maryland	344	0.01	10,391	0.24	-10,048	-0.23
Massachusetts	14,275	0.26	13,302	0.25	973	0.02
Michigan	10,158	0.13	13,290	0.17	-3,131	-0.04
Minnesota	3,443	0.10	8,262	0.23	-4,819	-0.13
Mississippi	1,000	0.06	3,941	0.24	-2,941	-0.18
Missouri	686	0.02	8,944	0.22	-8,258	-0.20
Montana	815	0.13	1,724	0.27	-909	-0.14
Nebraska	757	0.06	2,993	0.25	-2,235	-0.18
Nevada	773	0.05	4,309	0.28	-3,536	-0.23
New Hampshire	342	0.03	3,152	0.31	-2,810	-0.28
New Jersey	409	0.01	20,096	0.26	-19,688	-0.25
New Mexico	2,947	0.27	3,210	0.29	-264	-0.02
New York	54,946	0.36	35,107	0.23	19,839	0.13
North Carolina	3,735	0.06	14,072	0.24	-10,337	-0.17
North Dakota	1,018	0.21	1,272	0.26	-253	-0.05
Ohio	6,924	0.08	16,171	0.20	-9,247	-0.11
Oklahoma	192	0.01	5,290	0.22	-5,098	-0.21
Oregon	2,502	0.10	6,264	0.25	-3,763	-0.15
Pennsylvania	3,914	0.04	20,071	0.20	-16,157	-0.16
Rhode Island	3,905	0.49	2,089	0.26	1,817	0.23
South Carolina	1,791	0.07	6,834	0.25	-5,043	-0.19
South Dakota	752	0.15	1,428	0.28	-676	-0.13
Tennessee	2,537	0.06	9,387	0.23	-6,850	-0.17
Texas	22,288	0.15	30,594	0.20	-8,306	-0.05
Utah	1,690	0.12	3,648	0.27	-1,958	-0.14
Vermont	2,429	0.50	1,363	0.28	1,066	0.22
Virginia	1,959	0.04	14,195	0.26	-12,237	-0.22
Washington	5,279	0.12	10,518	0.24	-5,239	-0.12
West Virginia	397	0.03	2,714	0.23	-2,316	-0.20
Wisconsin	4,262	0.10	7,569	0.19	-3,307	-0.08
Wyoming	106	0.03	1,112	0.32	-1,006	-0.29
United States	478,823	0.22	477,416	0.22	1,407	0.00
Guam	59	0.07	202	0.22	-143	-0.16
N. Mariana Isl.	28	0.11	63	0.25	-35	-0.14
Puerto Rico	1,084	0.07	2,139	0.14	-1,056	-0.07
Virgin Islands	60	0.08	274	0.36	-214	-0.28
Grand Total	\$480,094	\$0.22	\$480,094	\$0.22	\$0	\$0.00

* Mechanisms include lifeline, linkup, incremental toll limitation and PICC reimbursement. Payments from 1999 are annualized based on the first eight months of 1999.

** Grand total includes approximately \$41,000 for American Samoa.

Table 1.7
All High-Cost and Low-Income Support Mechanisms: 1999

	<i>Annual Payments (Thousands)</i>	<i>Annual Contributions (Thousands)</i>	<i>Annual Payments Less Contributions (Thousands)</i>	<i>Monthly Payments Per Loop</i>	<i>Monthly Contributions Per Loop</i>	<i>Monthly Payments Less Contributions Per Loop</i>
Alabama	\$39,096	\$29,427	\$9,670	\$1.32	\$0.99	0.33
Alaska	68,795	5,666	63,129	14.03	1.16	12.88
Arizona	33,398	44,172	-10,774	0.97	1.28	-0.31
Arkansas	75,158	17,810	57,348	4.40	1.04	3.36
California	326,904	211,235	115,669	1.23	0.79	0.43
Colorado	46,097	43,985	2,112	1.39	1.33	0.06
Connecticut	5,230	34,370	-29,140	0.20	1.30	-1.10
Delaware	53	8,683	-8,630	0.01	1.30	-1.29
Dist. of Columbia	880	11,803	-10,923	0.08	1.05	-0.97
Florida	29,912	145,729	-115,816	0.23	1.11	-0.88
Georgia	74,184	70,534	3,650	1.24	1.17	0.06
Hawaii	1,792	9,123	-7,331	0.21	1.06	-0.85
Idaho	30,727	10,959	19,768	3.62	1.29	2.33
Illinois	42,006	96,208	-54,202	0.43	0.98	-0.55
Indiana	17,265	40,084	-22,819	0.40	0.93	-0.53
Iowa	25,116	21,220	3,895	1.28	1.08	0.20
Kansas	64,671	21,387	43,283	3.27	1.08	2.19
Kentucky	21,154	27,226	-6,072	0.83	1.06	-0.24
Louisiana	65,557	29,793	35,764	2.16	0.98	1.18
Maine	23,962	10,253	13,709	2.42	1.04	1.39
Maryland	879	47,629	-46,750	0.02	1.09	-1.07
Massachusetts	14,800	60,971	-46,170	0.27	1.13	-0.85
Michigan	44,575	60,912	-16,337	0.58	0.79	-0.21
Minnesota	44,318	37,867	6,450	1.23	1.05	0.18
Mississippi	27,740	18,065	9,675	1.69	1.10	0.59
Missouri	51,975	40,995	10,980	1.26	0.99	0.27
Montana	44,733	7,900	36,833	7.12	1.26	5.86
Nebraska	21,450	13,716	7,734	1.76	1.13	0.64
Nevada	11,624	19,752	-8,128	0.76	1.29	-0.53
New Hampshire	8,531	14,446	-5,915	0.84	1.43	-0.58
New Jersey	1,773	92,112	-90,338	0.02	1.19	-1.16
New Mexico	38,437	14,714	23,723	3.46	1.33	2.14
New York	93,220	160,912	-67,693	0.60	1.04	-0.44
North Carolina	35,645	64,501	-28,856	0.60	1.09	-0.49
North Dakota	22,499	5,829	16,669	4.57	1.18	3.39
Ohio	21,931	74,119	-52,188	0.27	0.90	-0.63
Oklahoma	57,488	24,248	33,240	2.37	1.00	1.37
Oregon	39,100	28,713	10,388	1.57	1.15	0.42
Pennsylvania	25,670	91,993	-66,323	0.26	0.93	-0.67
Rhode Island	3,905	9,574	-5,669	0.49	1.21	-0.71
South Carolina	44,469	31,322	13,147	1.65	1.16	0.49
South Dakota	19,073	6,545	12,528	3.80	1.30	2.50
Tennessee	31,720	43,027	-11,308	0.78	1.06	-0.28
Texas	141,845	140,229	1,616	0.94	0.93	0.01
Utah	13,096	16,721	-3,625	0.96	1.22	-0.27
Vermont	14,277	6,246	8,031	2.96	1.30	1.67
Virginia	14,322	65,064	-50,743	0.26	1.19	-0.92
Washington	48,290	48,209	81	1.10	1.10	0.00
West Virginia	23,536	12,438	11,099	1.99	1.05	0.94
Wisconsin	54,875	34,693	20,182	1.35	0.85	0.50
Wyoming	25,474	5,098	20,376	7.32	1.47	5.86
United States	2,033,226	2,188,227	-155,001	0.95	1.02	-0.07
Guam	2,412	926	1,486	2.68	1.03	1.65
N. Mariana Isl.	6,855	288	6,567	27.68	1.16	26.52
Puerto Rico	134,903	9,805	125,098	8.91	0.65	8.26
Virgin Islands	23,065	1,255	21,809	30.40	1.65	28.74
Grand Total	\$2,200,502	\$2,200,502	\$0	\$1.02	\$1.02	\$0.00

** Grand total includes BY21 approximately \$41,000 for American Samoa.

Table 1.8
Projected High-Cost Support Mechanisms for Rural Carriers: 1999

	<i>HCL Annual Payments (Thousands)</i>	<i>LTS Annual Payments (Thousands)</i>	<i>LSS Annual Payments (Thousands)</i>	<i>Total Annual Payments (Thousands)</i>	<i>Annual Contributions (Thousands)</i>	<i>Annual Payments Less Contributions (Thousands)</i>
Alabama	\$10,788	\$7,261	\$8,464	\$26,512	\$20,215	\$6,297
Alaska	36,947	16,783	14,703	68,433	3,892	64,540
Arizona	16,966	3,080	9,826	29,871	30,345	-473
Arkansas	47,302	15,238	8,191	70,730	12,235	58,496
California	29,002	8,500	7,370	44,871	145,112	-100,240
Colorado	26,300	11,987	3,824	42,111	30,216	11,895
Connecticut	0	161	763	924	23,611	-22,687
Delaware	0	0	0	0	5,965	-5,965
Dist. of Columbia	0	0	0	0	8,108	-8,108
Florida	9,800	5,268	3,635	18,702	100,111	-81,408
Georgia	35,818	17,682	12,319	65,819	48,454	17,365
Hawaii	360	0	515	876	6,267	-5,392
Idaho	19,391	3,424	5,709	28,524	7,529	20,995
Illinois	20,580	6,149	11,860	38,589	66,092	-27,502
Indiana	3,191	5,082	7,672	15,946	27,536	-11,590
Iowa	3,715	7,164	13,838	24,717	14,578	10,139
Kansas	39,363	11,336	13,502	64,201	14,692	49,508
Kentucky	8,394	4,850	4,944	18,187	18,704	-516
Louisiana	40,948	16,560	7,374	64,882	20,467	44,415
Maine	5,255	5,948	6,612	17,815	7,043	10,771
Maryland	0	90	445	535	32,719	-32,184
Massachusetts	48	101	376	525	41,885	-41,360
Michigan	16,200	9,722	7,909	33,831	41,845	-8,014
Minnesota	11,760	12,030	17,085	40,875	26,013	14,861
Mississippi	11,334	5,024	3,381	19,740	12,410	7,330
Missouri	26,515	10,609	7,513	44,637	28,162	16,475
Montana	23,459	9,908	8,864	42,231	5,427	36,803
Nebraska	6,645	3,822	10,225	20,693	9,423	11,270
Nevada	4,237	907	5,707	10,851	13,569	-2,718
New Hampshire	1,648	1,497	5,044	8,189	9,924	-1,735
New Jersey	0	0	1,365	1,365	63,278	-61,913
New Mexico	16,467	6,098	8,502	31,067	10,108	20,958
New York	13,228	6,737	18,308	38,274	110,541	-72,268
North Carolina	9,010	9,541	5,618	24,169	44,310	-20,141
North Dakota	5,064	5,922	10,495	21,480	4,005	17,476
Ohio	5,246	5,161	4,600	15,007	50,917	-35,911
Oklahoma	27,824	16,246	13,226	57,296	16,658	40,638
Oregon	20,201	9,160	7,238	36,599	19,725	16,874
Pennsylvania	901	13,994	6,861	21,756	63,196	-41,440
Rhode Island	0	0	0	0	6,577	-6,577
South Carolina	15,902	10,986	10,598	37,487	21,517	15,969
South Dakota	4,236	4,989	9,096	18,321	4,496	13,825
Tennessee	10,845	10,288	8,049	29,182	29,558	-376
Texas	68,494	29,351	16,482	114,327	96,332	17,994
Utah	3,936	1,473	5,996	11,406	11,487	-81
Vermont	2,912	2,365	5,208	10,485	4,291	6,194
Virginia	3,503	3,308	4,367	11,178	44,697	-33,519
Washington	23,980	13,134	5,897	43,011	33,118	9,893
West Virginia	17,062	1,051	3,573	21,686	8,544	13,141
Wisconsin	14,772	13,294	22,547	50,613	23,833	26,780
Wyoming	11,762	4,455	4,746	20,964	3,502	17,462
United States	731,310	367,734	380,443	1,479,487	1,503,239	-23,753
Guam	426	1,927	0	2,353	636	1,717
N. Mariana Isl.	4,743	0	2,085	6,828	198	6,630
Puerto Rico	0	0	0	0	6,736	-6,736
Virgin Islands	15,872	7,133	0	23,005	862	22,142
Grand Total	\$752,351	\$376,794	\$382,528	\$1,511,672	\$1,511,672	\$0

Table 1.9
Projected High-Cost Support Mechanisms for Non-Rural Carriers: 1999

	<i>HCL</i> <i>Annual</i> <i>Payments</i> <i>(Thousands)</i>	<i>LTS</i> <i>Annual</i> <i>Payments</i> <i>(Thousands)</i>	<i>LSS</i> <i>Annual</i> <i>Payments</i> <i>(Thousands)</i>	<i>Total</i> <i>Annual</i> <i>Payments</i> <i>(Thousands)</i>	<i>Annual</i> <i>Contributions</i> <i>(Thousands)</i>	<i>Annual Payments</i> <i>Less</i> <i>Contributions</i> <i>(Thousands)</i>
Alabama	\$10,975	\$0	\$0	\$10,975	\$2,784	\$8,191
Alaska	0	0	0	0	536	-536
Arizona	1,667	0	0	1,667	4,179	-2,512
Arkansas	3,726	0	0	3,726	1,685	2,041
California	1,135	4,637	0	5,772	19,986	-14,214
Colorado	1,974	0	0	1,974	4,162	-2,188
Connecticut	0	0	0	0	3,252	-3,252
Delaware	0	0	0	0	822	-822
Dist. of Columbia	0	0	0	0	1,117	-1,117
Florida	0	0	0	0	13,788	-13,788
Georgia	1,883	0	0	1,883	6,674	-4,791
Hawaii	0	0	0	0	863	-863
Idaho	315	0	598	913	1,037	-124
Illinois	0	0	0	0	9,103	-9,103
Indiana	0	0	0	0	3,793	-3,793
Iowa	0	0	0	0	2,008	-2,008
Kansas	0	0	0	0	2,024	-2,024
Kentucky	1,090	0	0	1,090	2,576	-1,486
Louisiana	0	0	0	0	2,819	-2,819
Maine	0	0	0	0	970	-970
Maryland	0	0	0	0	4,506	-4,506
Massachusetts	0	0	0	0	5,769	-5,769
Michigan	586	0	0	586	5,763	-5,177
Minnesota	0	0	0	0	3,583	-3,583
Mississippi	7,000	0	0	7,000	1,709	5,291
Missouri	6,652	0	0	6,652	3,879	2,773
Montana	1,688	0	0	1,688	747	940
Nebraska	0	0	0	0	1,298	-1,298
Nevada	0	0	0	0	1,869	-1,869
New Hampshire	0	0	0	0	1,367	-1,367
New Jersey	0	0	0	0	8,715	-8,715
New Mexico	4,424	0	0	4,424	1,392	3,032
New York	0	0	0	0	15,225	-15,225
North Carolina	5,351	2,390	0	7,740	6,103	1,638
North Dakota	0	0	0	0	552	-552
Ohio	0	0	0	0	7,013	-7,013
Oklahoma	0	0	0	0	2,294	-2,294
Oregon	0	0	0	0	2,717	-2,717
Pennsylvania	0	0	0	0	8,704	-8,704
Rhode Island	0	0	0	0	906	-906
South Carolina	5,192	0	0	5,192	2,964	2,228
South Dakota	0	0	0	0	619	-619
Tennessee	0	0	0	0	4,071	-4,071
Texas	5,230	0	0	5,230	13,268	-8,038
Utah	0	0	0	0	1,582	-1,582
Vermont	1,363	0	0	1,363	591	772
Virginia	1,185	0	0	1,185	6,156	-4,971
Washington	0	0	0	0	4,561	-4,561
West Virginia	1,453	0	0	1,453	1,177	276
Wisconsin	0	0	0	0	3,283	-3,283
Wyoming	4,404	0	0	4,404	482	3,922
United States	67,292	7,027	598	74,917	207,039	-132,122
Guam	0	0	0	0	88	-88
N. Mariana Isl.	0	0	0	0	27	-27
Puerto Rico	44,442	88,842	0	133,284	928	132,356
Virgin Islands	0	0	0	0	119	-119
Grand Total	\$111,734	\$95,869	\$598	\$208,200	\$208,200	\$0

Table 1.10
Projected Rural Carriers High-Cost Support Payments Per Loop: 1999*

	<i>HCL Payments Per Month</i>	<i>LTS Payments Per Month</i>	<i>LSS Payments Per Month</i>	<i>Total Payments Per Month</i>
Alabama	\$4.13	\$2.78	\$3.24	\$10.14
Alaska	12.16	5.53	4.84	22.53
Arizona	7.71	1.40	4.47	13.58
Arkansas	8.91	2.87	1.54	13.32
California	10.90	3.20	2.77	16.87
Colorado	17.78	8.10	2.58	28.46
Connecticut	0.00	0.59	2.78	3.37
Delaware	N.A.	N.A.	N.A.	N.A.
Dist. of Columbia	N.A.	N.A.	N.A.	N.A.
Florida	4.59	2.46	1.70	8.75
Georgia	3.63	1.79	1.25	6.66
Hawaii	278.16	0.00	397.44	675.59
Idaho	8.15	1.44	2.40	11.99
Illinois	5.30	1.59	3.06	9.95
Indiana	0.66	1.04	1.58	3.28
Iowa	0.54	1.04	2.01	3.58
Kansas	12.41	3.57	4.26	20.24
Kentucky	2.51	1.45	1.48	5.45
Louisiana	18.78	7.59	3.38	29.75
Maine	3.22	3.65	4.05	10.92
Maryland	0.00	1.08	5.32	6.40
Massachusetts	1.00	2.10	7.79	10.89
Michigan	4.84	2.90	2.36	10.10
Minnesota	1.48	1.51	2.15	5.14
Mississippi	10.59	4.69	3.16	18.44
Missouri	4.62	1.85	1.31	7.78
Montana	11.87	5.01	4.49	21.38
Nebraska	2.80	1.61	4.30	8.71
Nevada	3.89	0.83	5.24	9.97
New Hampshire	2.54	2.31	7.77	12.61
New Jersey	0.00	0.00	0.51	0.51
New Mexico	9.91	3.67	5.12	18.70
New York	1.55	0.79	2.15	4.48
North Carolina	1.36	1.45	0.85	3.66
North Dakota	2.64	3.09	5.48	11.21
Ohio	0.86	0.85	0.75	2.46
Oklahoma	9.86	5.76	4.69	20.31
Oregon	6.57	2.98	2.35	11.90
Pennsylvania	0.06	0.88	0.43	1.37
Rhode Island	N.A.	N.A.	N.A.	N.A.
South Carolina	2.23	1.54	1.49	5.27
South Dakota	2.44	2.88	5.25	10.57
Tennessee	2.11	2.00	1.57	5.68
Texas	8.26	3.54	1.99	13.79
Utah	5.81	2.18	8.86	16.85
Vermont	3.89	3.16	6.97	14.02
Virginia	1.96	1.85	2.44	6.25
Washington	4.66	2.55	1.15	8.36
West Virginia	8.77	0.54	1.84	11.15
Wisconsin	1.72	1.55	2.62	5.89
Wyoming	20.00	7.58	8.07	35.65
United States	4.22	2.12	2.20	8.54
Guam	0.47	2.14	0.00	2.61
N. Mariana Isl.	19.15	0.00	8.42	27.57
Puerto Rico	N.A.	N.A.	N.A.	N.A.
Virgin Islands	20.92	9.40	0.00	30.32
Grand Total	\$4.29	\$2.15	\$2.18	\$8.63

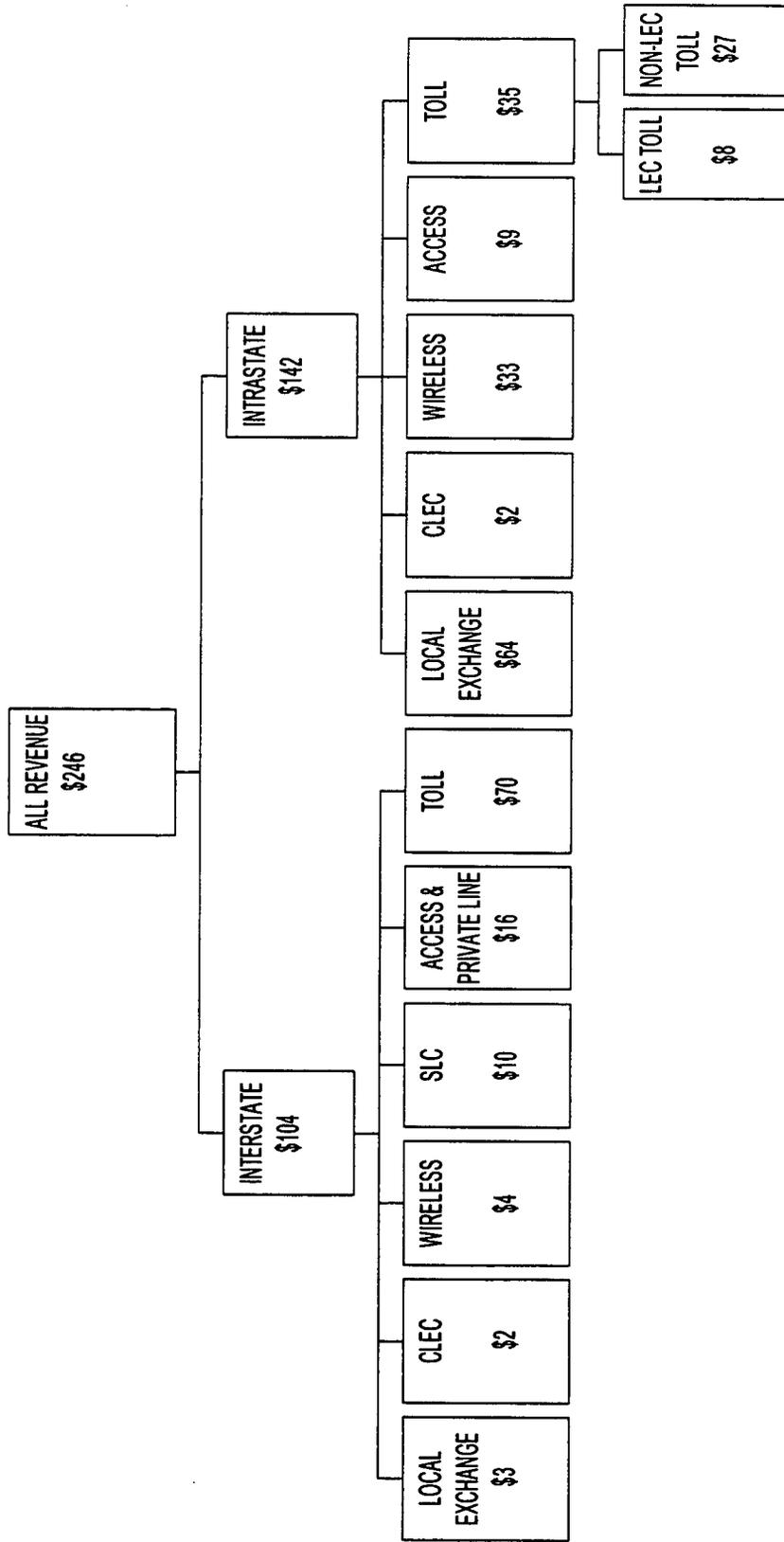
* Rural carriers' high-cost support payments per loop are determined by dividing payments by rural carrier loops.

Table 1.11
Projected Non-Rural Carriers High-Cost Support Payments Per Loop: 1999*

	<i>HCL Payments Per Month</i>	<i>LTS Payments Per Month</i>	<i>LSS Payments Per Month</i>	<i>Total Payments Per Month</i>
Alabama	\$0.41	\$0.00	\$0.00	\$0.41
Alaska	0.00	0.00	0.00	0.00
Arizona	0.05	0.00	0.00	0.05
Arkansas	0.32	0.00	0.00	0.32
California	0.00	0.02	0.00	0.02
Colorado	0.06	0.00	0.00	0.06
Connecticut	0.00	0.00	0.00	0.00
Delaware	0.00	0.00	0.00	0.00
Dist. of Columbia	0.00	0.00	0.00	0.00
Florida	0.00	0.00	0.00	0.00
Georgia	0.04	0.00	0.00	0.04
Hawaii	0.00	0.00	0.00	0.00
Idaho	0.05	0.00	0.10	0.15
Illinois	0.00	0.00	0.00	0.00
Indiana	0.00	0.00	0.00	0.00
Iowa	0.00	0.00	0.00	0.00
Kansas	0.00	0.00	0.00	0.00
Kentucky	0.05	0.00	0.00	0.05
Louisiana	0.00	0.00	0.00	0.00
Maine	0.00	0.00	0.00	0.00
Maryland	0.00	0.00	0.00	0.00
Massachusetts	0.00	0.00	0.00	0.00
Michigan	0.01	0.00	0.00	0.01
Minnesota	0.00	0.00	0.00	0.00
Mississippi	0.46	0.00	0.00	0.46
Missouri	0.19	0.00	0.00	0.19
Montana	0.39	0.00	0.00	0.39
Nebraska	0.00	0.00	0.00	0.00
Nevada	0.00	0.00	0.00	0.00
New Hampshire	0.00	0.00	0.00	0.00
New Jersey	0.00	0.00	0.00	0.00
New Mexico	0.47	0.00	0.00	0.47
New York	0.00	0.00	0.00	0.00
North Carolina	0.10	0.05	0.00	0.15
North Dakota	0.00	0.00	0.00	0.00
Ohio	0.00	0.00	0.00	0.00
Oklahoma	0.00	0.00	0.00	0.00
Oregon	0.00	0.00	0.00	0.00
Pennsylvania	0.00	0.00	0.00	0.00
Rhode Island	0.00	0.00	0.00	0.00
South Carolina	0.26	0.00	0.00	0.26
South Dakota	0.00	0.00	0.00	0.00
Tennessee	0.00	0.00	0.00	0.00
Texas	0.04	0.00	0.00	0.04
Utah	0.00	0.00	0.00	0.00
Vermont	0.33	0.00	0.00	0.33
Virginia	0.02	0.00	0.00	0.02
Washington	0.00	0.00	0.00	0.00
West Virginia	0.15	0.00	0.00	0.15
Wisconsin	0.00	0.00	0.00	0.00
Wyoming	1.52	0.00	0.00	1.52
United States	0.03	0.00	0.00	0.04
Guam	N.A.	N.A.	N.A.	N.A.
N. Mariana Isl.	N.A.	N.A.	N.A.	N.A.
Puerto Rico	2.94	5.87	0.00	8.80
Virgin Islands	N.A.	N.A.	N.A.	N.A.
Grand Total	\$0.06	\$0.05	\$0.00	\$0.11

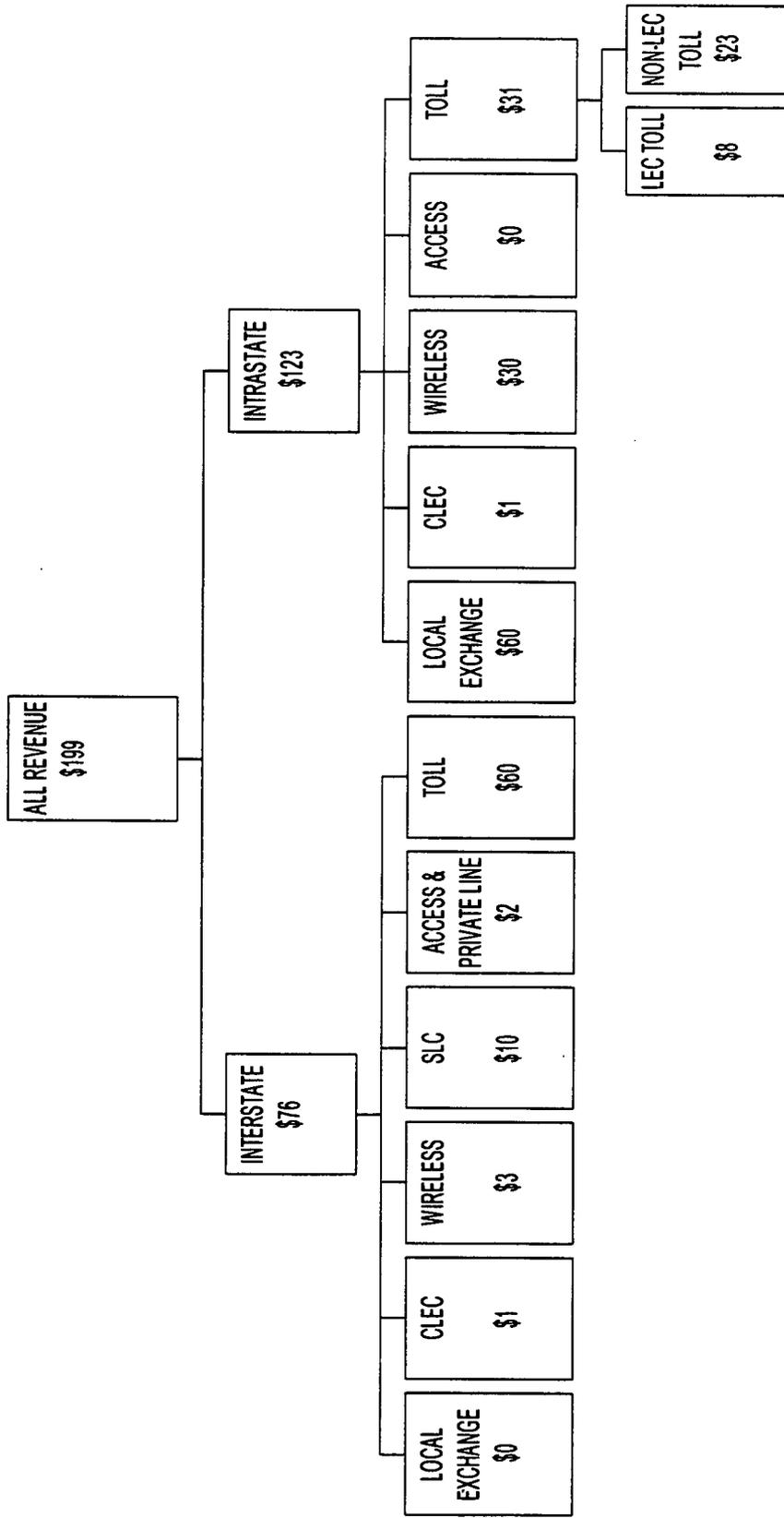
* Non-rural carriers' high-cost support payments per loop are determined by dividing payments by non-rural carrier loops.

FIGURE 1
INDUSTRY-WIDE TELECOMMUNICATIONS REVENUE: 1998
(IN BILLIONS OF DOLLARS)



FIGURES MAY NOT ADD UP DUE TO ROUNDING.

FIGURE 2
END-USER TELECOMMUNICATIONS REVENUE: 1998
(IN BILLIONS OF DOLLARS)



FIGURES MAY NOT ADD UP DUE TO ROUNDING.

Table 2.1
1998 Telecommunications Revenue
(In Millions of Dollars)

	<i>Local Exchange Except Wireless</i>	<i>CLEC</i>	<i>Wireless</i>	<i>Subscriber Line Charge 4/</i>	<i>Access 5/</i>	<i>Toll</i>	<i>Total</i>
End-User Revenue							
<i>USF 1/</i>							
Intrastate	60,164	1,330	29,744	0	282	31,019	122,538
Interstate	441	1,121	3,417	9,495	1,708	58,732	74,914
Intrastate+ Interstate	60,605	2,451	33,161	9,495	1,989	89,750	197,452
<i>Other 2/</i>							
Intrastate	128	0	91	0	0	96	315
Interstate	0	0	32	87	0	1,534	1,652
Intrastate+ Interstate	128	0	123	87	0	1,630	1,967
<i>Total</i>							
Intrastate	60,292	1,330	29,835	0	282	31,114	122,853
Interstate	441	1,121	3,449	9,581	1,708	60,266	76,566
Intrastate+ Interstate	60,734	2,451	33,284	9,581	1,989	91,380	199,419
<i>Adjusted Total 3/</i>							
Intrastate	60,102	1,326	29,741	0	281	31,016	122,466
Interstate	440	1,117	3,436	9,546	1,701	60,043	76,283
Intrastate+ Interstate	60,542	2,443	33,177	9,546	1,982	91,059	198,749
Carrier's Carrier Revenue							
<i>USF 1/</i>							
Intrastate	3,396	1,014	2,876	0	8,042	3,459	18,788
Interstate	2,664	519	168	0	13,753	9,612	26,715
Intrastate+ Interstate	6,060	1,533	3,044	0	21,795	13,071	45,503
<i>Others 2/</i>							
Intrastate	0	0	89	0	242	137	467
Interstate	0	0	10	0	174	819	1,003
Intrastate+ Interstate	0	0	98	0	416	956	1,470
<i>Total</i>							
Intrastate	3,396	1,014	2,965	0	8,284	3,596	19,255
Interstate	2,664	519	178	0	13,927	10,431	27,718
Intrastate+ Interstate	6,060	1,533	3,142	0	22,211	14,027	46,973
<i>Adjusted 3/</i>							
Intrastate	3,386	1,011	2,955	0	8,258	3,585	19,194
Interstate	2,654	517	177	0	13,876	10,392	27,616
Intrastate+ Interstate	6,040	1,528	3,132	0	22,133	13,977	46,810
Industry Revenue							
<i>Total</i>							
Intrastate	63,689	2,344	32,800	0	8,566	34,710	142,108
Interstate	3,105	1,640	3,627	9,581	15,635	70,697	104,284
Intrastate+ Interstate	66,794	3,984	36,426	9,581	24,200	105,407	246,392
<i>Adjusted Total 3/</i>							
Intrastate	63,488	2,337	32,696	0	8,538	34,601	141,660
Interstate	3,094	1,634	3,613	9,546	15,577	70,435	103,899
Intrastate+ Interstate	66,581	3,970	36,310	9,546	24,115	105,036	245,559

Source: *Telecommunications Industry Revenue: 1998*, released September 22, 1999.

1/ Revenue for carriers that filed an USF worksheet.

2/ Includes revenues for carriers that filed a TRS worksheet but not a USF worksheet; and includes international-to-international revenue.

3/ Intrastate revenue for 1998 is reduced by 0.32% and interstate revenue is reduced by 0.37%. This takes into account revenue from Alaska, Guam, Northern Mariana Islands and the Virgin Islands.

4/ Intrastate subscriber line charges are included under access.

5/ Interstate access includes switched access, special access and local private line.

Table 2.2
Industry Telephone Revenue: 1998

	<i>Interstate (Millions)</i>	<i>Intrastate (Millions)</i>	<i>Intrastate-Interstate (Millions)</i>	<i>Percent Of Total</i>
Alabama	\$1,414	\$1,980	\$3,394	1.38
Alaska	269	322	590	0.24
Arizona	2,034	1,924	3,958	1.61
Arkansas	860	1,146	2,005	0.81
California	9,916	18,776	28,692	11.64
Colorado	2,052	2,208	4,260	1.73
Connecticut	1,616	1,557	3,173	1.29
Delaware	384	301	685	0.28
Dist. of Columbia	577	508	1,085	0.44
Florida	6,800	8,241	15,042	6.10
Georgia	3,377	4,092	7,469	3.03
Hawaii	456	513	969	0.39
Idaho	539	471	1,010	0.41
Illinois	4,453	6,494	10,948	4.44
Indiana	1,919	2,891	4,810	1.95
Iowa	1,012	1,256	2,268	0.92
Kansas	1,004	1,299	2,304	0.93
Kentucky	1,313	1,747	3,060	1.24
Louisiana	1,404	2,027	3,432	1.39
Maine	507	599	1,105	0.45
Maryland	2,171	2,741	4,911	1.99
Massachusetts	2,944	3,394	6,338	2.57
Michigan	2,877	5,645	8,523	3.46
Minnesota	1,794	2,320	4,115	1.67
Mississippi	865	1,152	2,017	0.82
Missouri	1,978	2,635	4,613	1.87
Montana	374	406	780	0.32
Nebraska	663	924	1,587	0.64
Nevada	897	696	1,592	0.65
New Hampshire	700	546	1,246	0.51
New Jersey	4,236	5,130	9,366	3.80
New Mexico	704	729	1,433	0.58
New York	7,829	10,106	17,935	7.28
North Carolina	3,078	4,219	7,297	2.96
North Dakota	280	319	599	0.24
Ohio	3,551	5,845	9,396	3.81
Oklahoma	1,141	1,411	2,552	1.04
Oregon	1,377	1,528	2,905	1.18
Pennsylvania	4,238	6,071	10,309	4.18
Rhode Island	457	402	859	0.35
South Carolina	1,493	1,899	3,393	1.38
South Dakota	315	321	635	0.26
Tennessee	2,036	2,517	4,553	1.85
Texas	6,734	10,842	17,576	7.13
Utah	788	769	1,557	0.63
Vermont	306	295	602	0.24
Virginia	3,032	3,544	6,576	2.67
Washington	2,293	2,786	5,080	2.06
West Virginia	602	781	1,383	0.56
Wisconsin	1,659	2,575	4,234	1.72
Wyoming	244	218	462	0.19
United States	103,563	141,119	244,682	99.31
Guam	44	59	103	0.04
N. Mariana Isl.	14	16	30	0.01
Puerto Rico	604	863	1,467	0.60
Virgin Islands	59	50	109	0.04
Grand Total	\$104,285	\$142,107	\$246,392	100.00

Figures may not add up due to rounding.

Table 2.3
End-User Telephone Revenue: 1998

	<i>Interstate</i>	<i>Intrastate</i>	<i>Interstate - Intrastate</i>	<i>Percent of Total</i>	<i>Percent USF*</i>	
	<i>(Millions)</i>	<i>(Millions)</i>	<i>(Millions)</i>		<i>Interstate</i>	<i>Intrastate</i>
Alabama	\$1,024	\$1,777	\$2,801	1.40	97.85	99.75
Alaska	197	278	475	0.24	97.84	99.74
Arizona	1,538	1,657	3,194	1.60	97.79	99.75
Arkansas	620	1,012	1,632	0.82	97.81	99.76
California	7,345	16,077	23,422	11.74	97.91	99.73
Colorado	1,531	1,918	3,449	1.73	97.80	99.76
Connecticut	1,196	1,398	2,595	1.30	97.80	99.78
Delaware	302	274	576	0.29	97.74	99.76
Dist. of Columbia	411	464	875	0.44	97.82	99.78
Florida	5,072	6,996	12,068	6.05	97.81	99.73
Georgia	2,455	3,622	6,076	3.05	97.83	99.75
Hawaii	317	459	777	0.39	97.86	99.77
Idaho	382	410	792	0.40	97.77	99.76
Illinois	3,347	5,722	9,069	4.55	97.86	99.73
Indiana	1,395	2,453	3,848	1.93	97.84	99.74
Iowa	738	1,038	1,776	0.89	97.85	99.74
Kansas	744	1,135	1,879	0.94	97.82	99.76
Kentucky	948	1,492	2,440	1.22	97.81	99.74
Louisiana	1,036	1,807	2,843	1.43	97.86	99.74
Maine	357	523	879	0.44	97.81	99.83
Maryland	1,658	2,437	4,095	2.05	97.80	99.73
Massachusetts	2,121	3,086	5,207	2.61	97.86	99.77
Michigan	2,118	4,918	7,036	3.53	97.91	99.75
Minnesota	1,317	1,970	3,287	1.65	97.88	99.74
Mississippi	629	1,049	1,677	0.84	97.82	99.77
Missouri	1,427	2,226	3,652	1.83	97.83	99.76
Montana	275	351	626	0.31	97.75	99.76
Nebraska	477	782	1,260	0.63	97.83	99.75
Nevada	688	622	1,310	0.66	97.74	99.75
New Hampshire	503	494	997	0.50	97.77	99.80
New Jersey	3,207	4,452	7,660	3.84	97.78	99.74
New Mexico	512	623	1,135	0.57	97.77	99.76
New York	5,598	9,008	14,606	7.32	97.86	99.75
North Carolina	2,245	3,532	5,777	2.90	97.82	99.73
North Dakota	203	271	474	0.24	97.79	99.76
Ohio	2,578	5,044	7,622	3.82	97.88	99.73
Oklahoma	844	1,266	2,110	1.06	97.83	99.77
Oregon	999	1,308	2,308	1.16	97.83	99.75
Pennsylvania	3,201	5,148	8,348	4.19	97.85	99.73
Rhode Island	333	368	702	0.35	97.79	99.78
South Carolina	1,090	1,659	2,749	1.38	97.81	99.75
South Dakota	228	276	504	0.25	97.79	99.77
Tennessee	1,497	2,238	3,735	1.87	97.84	99.75
Texas	4,876	8,801	13,677	6.86	97.90	99.73
Utah	582	680	1,262	0.63	97.83	99.77
Vermont	217	261	479	0.24	97.78	99.80
Virginia	2,265	3,031	5,296	2.66	97.78	99.73
Washington	1,678	2,365	4,043	2.03	97.84	99.75
West Virginia	433	685	1,118	0.56	97.81	99.75
Wisconsin	1,207	2,267	3,474	1.74	97.88	99.74
Wyoming	178	192	369	0.19	97.75	99.77
United States	76,139	121,923	198,063	99.32	97.84	99.74
Guam	32	51	83	0.04	97.84	99.74
N. Mariana Isl.	10	14	24	0.01	97.84	99.74
Puerto Rico	341	821	1,162	0.58	97.96	99.83
Virgin Islands	44	43	87	0.04	97.84	99.74
Grand Total	\$76,566	\$122,852	\$199,419	100.00	97.84	99.74

Figures may not add up due to rounding.

* Shows percentage of end-user revenue subject to the universal service mechanism.

Table 2.4
Monthly End-User Telephone Expenditures Per Loop: 1998

	Local Exchange	SLC	Intrastate Toll	Interstate Toll	CLEC	Other Wireline	Total Wireline	Wireless*	All Revenue
Alabama	\$34.90	\$4.53	\$11.78	\$27.09	\$0.89	\$0.88	\$80.07	\$14.62	\$94.69
Alaska	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$96.97
Arizona	27.95	5.10	6.58	36.48	1.20	0.92	78.23	14.49	92.72
Arkansas	29.51	4.24	17.01	29.20	0.64	1.03	81.63	14.02	95.65
California	23.09	4.00	22.55	20.61	1.25	0.72	72.22	15.62	87.83
Colorado	33.75	5.16	9.15	37.56	1.68	1.03	88.32	15.95	104.27
Connecticut	25.24	4.43	7.57	36.66	1.32	1.05	76.28	21.50	97.78
Delaware	23.31	4.35	3.35	38.00	1.16	0.54	70.71	15.36	86.07
Dist. of Columbia	32.73	3.36	0.00	29.85	3.11	0.93	69.98	8.06	78.05
Florida	26.86	4.83	13.73	30.96	0.87	0.93	78.18	13.59	91.77
Georgia	36.65	4.74	9.70	32.63	1.66	1.02	86.41	14.76	101.17
Hawaii	36.31	4.92	1.87	28.56	0.46	1.23	73.36	16.79	90.15
Idaho	26.97	4.91	8.72	37.04	0.11	1.45	79.20	14.15	93.35
Illinois	27.94	4.26	14.74	26.48	1.59	0.69	75.70	16.37	92.06
Indiana	27.09	4.20	15.85	25.40	0.46	0.96	73.96	15.38	89.34
Iowa	21.79	4.58	15.47	29.37	1.74	1.11	74.06	16.12	90.18
Kansas	28.51	4.35	14.52	30.16	1.11	0.90	79.55	15.38	94.93
Kentucky	31.15	4.14	13.05	29.82	0.70	1.09	79.94	15.33	95.28
Louisiana	34.87	4.68	11.54	26.61	0.95	0.77	79.42	14.25	93.66
Maine	25.00	4.14	15.51	29.02	0.55	1.25	75.47	13.40	88.87
Maryland	29.50	4.50	11.44	30.65	0.74	0.67	77.51	16.34	93.85
Massachusetts	28.87	4.75	11.86	30.60	1.76	1.03	78.87	17.25	96.12
Michigan	23.99	4.07	25.69	20.61	1.03	0.74	76.13	15.29	91.42
Minnesota	28.59	4.77	10.29	28.32	1.80	0.97	74.73	16.78	91.51
Mississippi	39.02	4.61	11.39	30.60	0.80	0.92	87.35	14.72	102.07
Missouri	27.56	4.37	12.58	27.21	0.55	1.07	73.34	14.87	88.21
Montana	28.50	4.67	15.48	36.47	0.19	1.15	86.46	13.14	99.60
Nebraska	36.62	4.69	13.05	31.17	1.03	1.19	87.76	15.69	103.44
Nevada	22.18	4.15	4.96	37.81	1.23	0.75	71.08	14.36	85.44
New Hampshire	26.62	4.66	7.48	41.25	1.34	1.38	82.72	15.75	98.47
New Jersey	20.55	4.36	21.60	33.92	0.84	0.88	82.14	16.43	98.57
New Mexico	33.47	5.01	9.42	38.02	0.60	1.29	87.81	14.45	102.26
New York	35.96	4.60	6.54	28.24	1.05	1.02	77.42	17.35	94.77
North Carolina	31.89	4.64	14.56	30.28	0.77	1.09	83.23	14.18	97.41
North Dakota	23.95	4.58	18.87	33.69	0.94	1.22	83.24	13.00	96.25
Ohio	29.64	4.25	16.77	23.90	1.01	0.88	76.44	15.80	92.25
Oklahoma	26.46	4.25	13.21	27.72	1.20	0.79	73.64	13.49	87.13
Oregon	26.93	4.87	11.30	31.81	1.35	1.14	77.39	15.11	92.50
Pennsylvania	22.03	4.29	16.03	25.34	1.16	0.74	69.59	15.12	84.72
Rhode Island	27.54	4.51	4.76	34.35	0.77	1.04	72.97	15.49	88.45
South Carolina	36.16	4.61	12.31	32.69	1.07	1.04	87.87	14.04	101.91
South Dakota	26.45	4.81	14.59	37.21	1.09	1.30	85.45	15.06	100.52
Tennessee	32.30	4.50	9.30	29.33	1.44	0.86	77.74	14.67	92.40
Texas	28.20	4.47	15.42	24.42	1.69	1.05	75.24	15.10	90.34
Utah	27.44	5.08	8.08	34.04	1.79	1.00	77.43	14.97	92.40
Vermont	34.07	4.32	7.17	37.22	1.39	1.36	85.53	13.75	99.27
Virginia	28.94	4.65	11.99	33.75	0.46	0.97	80.77	15.71	96.47
Washington	25.07	4.77	13.21	30.15	0.92	1.08	75.20	16.78	91.98
West Virginia	33.88	4.62	11.77	29.31	0.05	1.06	80.70	13.74	94.44
Wisconsin	25.00	3.94	16.85	22.79	1.05	0.79	70.42	14.92	85.34
Wyoming	29.72	5.09	11.87	42.68	0.63	1.37	91.35	14.79	106.15
United States	28.14	4.45	14.41	28.00	1.14	0.92	77.05	15.46	92.52
Guam	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	92.54
N. Mariana Isl.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	97.19
Puerto Rico	28.97	3.28	16.21	16.33	0.00	1.63	66.42	10.32	76.74
Virgin Islands	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	114.32
Grand Total	\$28.15	\$4.44	\$14.42	\$27.91	\$1.14	\$0.92	\$76.97	\$15.42	\$92.41

Figures may not add up due to rounding. Expenditures include both residential and business users.

* Wireless expenditures per loop measures wireless expenditures per wireline loop.

Table 2.5
Adjustment Formula: 1998

	<i>Reporting Carriers Access Lines As a Percentage of Total Access Lines in Industry, Year-End 1997 SOCC, 2.3*</i>	<i>Reporting Carriers Access Lines As a Percentage of Total Access Lines in Industry, Year-End 1998 SOCC, 2.3*</i>	<i>Average Percent Reporting in 1998</i>	<i>Adjustment Formula 100/Average Percent Reporting</i>
Alabama	91.3	91.2	91.2	1.10
Alaska	0.0	0.0	0.0	N/A
Arizona	94.0	93.9	93.9	1.06
Arkansas	74.9	74.9	74.9	1.34
California	98.5	98.5	98.5	1.02
Colorado	95.7	95.7	95.7	1.05
Connecticut	99.0	99.0	99.0	1.01
Delaware	100.0	100.0	100.0	1.00
Dist. of Columbia	100.0	100.0	100.0	1.00
Florida	98.4	98.4	98.4	1.02
Georgia	89.8	89.7	89.7	1.11
Hawaii	100.0	100.0	100.0	1.00
Idaho	90.5	90.5	90.5	1.11
Illinois	97.5	96.6	97.1	1.03
Indiana	95.7	95.7	95.7	1.04
Iowa	82.6	82.3	82.4	1.21
Kansas	84.4	84.4	84.4	1.18
Kentucky	87.1	87.0	87.0	1.15
Louisiana	92.9	92.8	92.8	1.08
Maine	83.9	83.5	83.7	1.19
Maryland	99.8	99.8	99.8	1.00
Massachusetts	99.9	99.9	99.9	1.00
Michigan	96.5	96.5	96.5	1.04
Minnesota	74.2	73.7	73.9	1.35
Mississippi	93.6	93.5	93.5	1.07
Missouri	94.8	94.8	94.8	1.05
Montana	69.0	68.5	68.8	1.45
Nebraska	86.3	86.3	86.3	1.16
Nevada	95.6	95.6	95.6	1.05
New Hampshire	93.8	93.6	93.7	1.07
New Jersey	99.8	99.8	99.8	1.00
New Mexico	90.2	90.0	90.1	1.11
New York	96.9	96.9	96.9	1.03
North Carolina	86.5	90.5	88.5	1.16
North Dakota	62.2	61.0	61.6	1.61
Ohio	95.3	95.3	95.3	1.05
Oklahoma	88.4	88.4	88.4	1.13
Oregon	92.0	91.9	91.9	1.09
Pennsylvania	95.6	95.6	95.6	1.05
Rhode Island	100.0	100.0	100.0	1.00
South Carolina	73.8	73.6	73.7	1.36
South Dakota	65.5	65.4	65.5	1.53
Tennessee	87.5	87.3	87.4	1.14
Texas	94.2	95.8	95.0	1.06
Utah	95.2	95.0	95.1	1.05
Vermont	84.7	84.5	84.6	1.18
Virginia	97.5	97.5	97.5	1.03
Washington	93.0	93.1	93.0	1.08
West Virginia	83.5	83.6	83.5	1.20
Wisconsin	81.6	78.9	80.3	1.23
Wyoming	83.0	83.1	83.1	1.20
United States	93.8	93.8	93.8	1.07
Guam	0.0	0.0	0.0	N/A
N. Mariana Isl.	0.0	0.0	0.0	N/A
Puerto Rico	100.0	100.0	100.0	1.00
Virgin Islands	0.0	0.0	0.0	N/A
Grand Total	93.7	93.8	93.7	1.07

Figures may not add up due to rounding.

* Access lines are measured using USF loops.

Table 2.6
Local Exchange Excluding Wireless Revenue: 1998

	<i>Basic Rev. SOCC, 2.13 (Millions)</i>	<i>Misc. Rev. SOCC 2.13 (Millions)</i>	<i>Basic and Misc. Rev. (Millions)</i>	<i>Basic and Misc. Rev. SOCC Adjusted (Millions)</i>	<i>Allocation Percentage</i>	<i>Intrastate Local Exch. End-User (Millions)</i>	<i>Interstate Local Exch. End-User (Millions)</i>	<i>Intrastate Local Exch. Industry (Millions)</i>	<i>Interstate Local Exch. Industry (Millions)</i>
Alabama	\$919	\$40	\$959	\$1,050	1.71	\$1,025	\$8	\$1,083	\$53
Alaska	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Arizona	905	15	920	980	1.59	956	7	1,010	49
Arkansas	369	15	384	512	0.83	500	4	528	26
California	5,911	259	6,170	6,264	10.17	6,112	45	6,456	315
Colorado	949	137	1,087	1,136	1.84	1,108	8	1,171	57
Connecticut	650	25	675	682	1.11	665	5	703	34
Delaware	155	4	159	159	0.26	155	1	164	8
Dist. of Columbia	289	85	373	373	0.61	364	3	385	19
Florida	3,289	247	3,536	3,593	5.83	3,506	26	3,704	180
Georgia	1,947	64	2,011	2,240	3.64	2,185	16	2,309	113
Hawaii	273	45	318	318	0.52	311	2	328	16
Idaho	210	0	211	233	0.38	227	2	240	12
Illinois	2,617	114	2,731	2,800	4.55	2,732	20	2,886	141
Indiana	1,066	71	1,137	1,187	1.93	1,159	8	1,224	60
Iowa	357	3	361	437	0.71	426	3	450	22
Kansas	427	58	485	574	0.93	560	4	592	29
Kentucky	660	47	707	812	1.32	792	6	837	41
Louisiana	941	59	1,000	1,077	1.75	1,051	8	1,110	54
Maine	192	20	211	252	0.41	246	2	259	13
Maryland	1,233	74	1,307	1,310	2.13	1,278	9	1,350	66
Massachusetts	1,439	151	1,590	1,591	2.58	1,552	11	1,640	80
Michigan	1,772	41	1,813	1,878	3.05	1,833	13	1,936	94
Minnesota	761	13	775	1,045	1.70	1,019	7	1,077	52
Mississippi	592	18	610	652	1.06	637	5	673	33
Missouri	1,062	39	1,101	1,161	1.89	1,133	8	1,197	58
Montana	129	(3)	126	182	0.30	178	1	188	9
Nebraska	331	61	392	454	0.74	443	3	468	23
Nevada	292	39	331	346	0.56	338	2	357	17
New Hampshire	231	27	257	274	0.45	268	2	283	14
New Jersey	1,560	62	1,622	1,624	2.64	1,585	12	1,674	82
New Mexico	330	11	341	378	0.61	369	3	390	19
New York	5,180	287	5,467	5,639	9.16	5,503	40	5,813	283
North Carolina	1,586	78	1,665	1,924	3.12	1,878	14	1,983	97
North Dakota	74	0	75	120	0.19	117	1	124	6
Ohio	2,309	66	2,375	2,492	4.05	2,431	18	2,568	125
Oklahoma	581	(5)	577	652	1.06	636	5	672	33
Oregon	607	21	628	683	1.11	667	5	704	34
Pennsylvania	1,993	119	2,112	2,209	3.59	2,155	16	2,276	111
Rhode Island	205	17	222	222	0.36	217	2	229	11
South Carolina	705	27	732	993	1.61	968	7	1,023	50
South Dakota	89	(1)	88	135	0.22	132	1	139	7
Tennessee	1,118	45	1,163	1,329	2.16	1,296	9	1,369	67
Texas	3,969	122	4,090	4,343	7.05	4,238	31	4,477	218
Utah	345	18	363	381	0.62	372	3	393	19
Vermont	132	10	142	167	0.27	163	1	172	8
Virginia	1,479	98	1,577	1,617	2.62	1,577	12	1,666	81
Washington	973	70	1,043	1,121	1.82	1,094	8	1,155	56
West Virginia	328	12	341	408	0.66	398	3	421	20
Wisconsin	823	21	845	1,035	1.68	1,010	7	1,067	52
Wyoming	88	(1)	87	105	0.17	103	1	108	5
United States	54,442	2,848	57,290	61,149	99.28	59,667	437	63,028	3,072
Guam	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N. Mariana Isl.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Puerto Rico	448	(2)	446	446	0.72	435	3	460	22
Virgin Islands	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Grand Total	\$54,890	\$2,846	\$57,736	\$61,595	100.00	\$60,102	\$440	\$63,488	\$3,094

Figures may not add up due to rounding.

**Table 2.7
CLEC Revenue: 1998**

	<i>CLEC Numbering Codes Sep-99</i>	<i>Numbers Ported* Jun-99</i>	<i>Resale Lines (Thousands) Dec-99</i>	<i>Percent of Nation CLEC Codes</i>	<i>Percent of Nation Numbers Ported</i>	<i>Percent of Nation Resale Lines</i>	<i>Allocation Percentage</i>	<i>Interstate CLEC End-User</i>	<i>Interstate CLEC Industry</i>	<i>Intrastate CLEC End-User</i>	<i>Intrastate CLEC Industry</i>
Alabama	199	5,490	39	1.7 %	0.3 %	1.3 %	1.1 %	\$12	\$18	\$14	\$25
Alaska	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Arizona	77	71,728	16	0.6	3.9	0.5	1.7	19	28	22	39
Arkansas	15	11,701	18	0.1	0.6	0.6	0.4	5	7	6	11
California	2,166	237,271	301	18.0	12.9	9.8	13.6	152	222	180	318
Colorado	272	65,694	30	2.3	3.6	1.0	2.3	25	37	30	53
Connecticut	249	12,647	47	2.1	0.7	1.5	1.4	16	23	19	33
Delaware	38	5,614	10	0.3	0.3	0.3	0.3	4	5	4	7
Dist. of Columbia	295	26,988	11	2.5	1.5	0.4	1.4	16	23	19	33
Florida	568	73,050	163	4.7	4.0	5.3	4.7	52	76	62	109
Georgia	487	87,597	105	4.1	4.8	3.4	4.1	46	67	54	95
Hawaii	12	7,002	0	0.1	0.4	0.0	0.2	2	3	2	4
Idaho	12	0	1	0.1	0.0	0.0	0.0	0	1	1	1
Illinois	786	106,216	212	6.5	5.8	6.9	6.4	72	105	85	150
Indiana	90	19,936	19	0.7	1.1	0.6	0.8	9	13	11	19
Iowa	39	1,869	116	0.3	0.1	3.8	1.4	16	23	19	33
Kansas	6	2,445	77	0.0	0.1	2.5	0.9	10	15	12	21
Kentucky	95	6,325	33	0.8	0.3	1.1	0.7	8	12	10	17
Louisiana	55	7,169	82	0.5	0.4	2.7	1.2	13	19	16	27
Maine	61	0	5	0.5	0.0	0.2	0.2	3	4	3	5
Maryland	182	28,897	27	1.5	1.6	0.9	1.3	15	22	18	31
Massachusetts	616	43,069	130	5.1	2.3	4.3	3.9	44	64	52	91
Michigan	376	43,738	130	3.1	2.4	4.3	3.3	36	53	43	76
Minnesota	121	72,448	91	1.0	3.9	3.0	2.6	30	43	35	62
Mississippi	21	0	44	0.2	0.0	1.4	0.5	6	9	7	13
Missouri	116	10,661	38	1.0	0.6	1.3	0.9	10	15	12	22
Montana	13	0	1	0.1	0.0	0.0	0.0	1	1	1	1
Nebraska	60	16,615	4	0.5	0.9	0.1	0.5	6	8	7	12
Nevada	51	28,018	11	0.4	1.5	0.4	0.8	9	13	10	18
New Hampshire	121	2	20	1.0	0.0	0.7	0.6	6	9	7	13
New Jersey	526	30,792	59	4.4	1.7	1.9	2.7	30	43	35	62
New Mexico	11	12,710	1	0.1	0.7	0.0	0.3	3	4	4	6
New York	643	117,567	248	5.4	6.4	8.1	6.6	74	108	88	155
North Carolina	281	28,655	52	2.3	1.6	1.7	1.9	21	30	25	44
North Dakota	13	0	14	0.1	0.0	0.5	0.2	2	3	3	4
Ohio	313	77,655	104	2.6	4.2	3.4	3.4	38	56	45	80
Oklahoma	57	32,879	40	0.5	1.8	1.3	1.2	13	19	16	28
Oregon	167	17,621	54	1.4	1.0	1.8	1.4	15	22	18	32
Pennsylvania	641	109,387	84	5.3	5.9	2.7	4.7	52	76	62	109
Rhode Island	62	128	7	0.5	0.0	0.2	0.3	3	4	3	6
South Carolina	100	14,518	59	0.8	0.8	1.9	1.2	13	19	16	28
South Dakota	10	0	18	0.1	0.0	0.6	0.2	3	4	3	5
Tennessee	335	57,188	38	2.8	3.1	1.2	2.4	27	39	32	56
Texas	886	218,783	374	7.4	11.9	12.2	10.5	117	172	139	245
Utah	156	27,181	7	1.3	1.5	0.2	1.0	11	16	13	23
Vermont	91	0	2	0.8	0.0	0.1	0.3	3	4	4	6
Virginia	76	34,399	19	0.6	1.9	0.6	1.0	12	17	14	24
Washington	244	26,546	45	2.0	1.4	1.5	1.6	18	27	22	39
West Virginia	8	0	0	0.1	0.0	0.0	0.0	0	0	0	1
Wisconsin	189	41,434	43	1.6	2.3	1.4	1.7	19	28	23	41
Wyoming	1	0	8	0.0	0.0	0.3	0.1	1	1	1	2
United States	12,009	1,839,633	3,058	100.0	100.0	100.0	100.0	1,117	1,634	1,326	2,337
Guam	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N. Mariana Isl.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Puerto Rico	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Virgin Islands	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Grand Total	12,009	1,839,633	3,058	100.0	100.0	100.0	100.0	\$1,117	\$1,634	\$1,326	\$2,337

Figures may not add up due to rounding.

* Excludes numbers ported for pooling.

Table 2.8
Wireless Revenue: 1998

	<i>1998 Personnel Income (Billions) Statistical Abstract</i>	<i>Distn. Of Income Proxy for Wireless</i>	<i>Intrastate Wireless Rev. End-User (Millions)</i>	<i>Interstate Wireless Rev. End-User (Millions)</i>	<i>Intrastate Wireless Rev. Industry (Millions)</i>	<i>Interstate Wireless Rev. Industry (Millions)</i>
Alabama	93.3	1.30	388	545	5426	547
Alaska	N/A	N/A	N/A	N/A	N/A	N/A
Arizona	107.7	1.50	448	52	492	54
Arkansas	51.6	0.72	214	25	236	26
California	898.4	12.55	3,733	431	4,104	454
Colorado	113.8	1.59	473	55	520	57
Connecticut	123.1	1.72	512	59	562	62
Delaware	22.2	0.31	92	11	101	11
Dist. of Columbia	19.5	0.27	81	9	89	10
Florida	385.6	5.39	1,602	185	1,762	195
Georgia	191.2	2.67	795	92	873	97
Hawaii	31.2	0.44	130	15	143	16
Idaho	25.9	0.36	108	12	118	13
Illinois	347.8	4.86	1,445	167	1,589	176
Indiana	142.9	2.00	594	69	653	72
Iowa	68.5	0.96	285	33	313	35
Kansas	65.7	0.92	273	32	300	33
Kentucky	84.7	1.18	352	41	387	43
Louisiana	93.3	1.30	388	45	426	47
Maine	28.6	0.40	119	14	131	14
Maryland	153.8	2.15	639	74	703	78
Massachusetts	201.6	2.82	838	97	921	102
Michigan	253.8	3.55	1,055	122	1,159	128
Minnesota	130.0	1.82	540	62	594	66
Mississippi	52.2	0.73	217	25	238	26
Missouri	132.8	1.86	552	64	607	67
Montana	17.8	0.25	74	9	81	9
Nebraska	41.2	0.58	171	20	188	21
Nevada	47.5	0.66	197	23	217	24
New Hampshire	34.4	0.48	143	17	157	17
New Jersey	275.4	3.85	1,144	132	1,258	139
New Mexico	34.6	0.48	144	17	158	17
New York	576.8	8.06	2,397	277	2,635	291
North Carolina	181.4	2.53	754	87	829	92
North Dakota	13.8	0.19	57	7	63	7
Ohio	281.7	3.94	1,171	135	1,287	142
Oklahoma	70.5	0.99	293	34	322	36
Oregon	81.3	1.14	338	39	371	41
Pennsylvania	321.5	4.49	1,336	154	1,469	162
Rhode Island	26.5	0.37	110	13	121	13
South Carolina	81.7	1.14	340	39	373	41
South Dakota	16.3	0.23	68	8	74	8
Tennessee	127.9	1.79	531	61	584	65
Texas	493.1	6.89	2,049	237	2,253	249
Utah	44.1	0.62	183	21	201	22
Vermont	14.3	0.20	59	7	65	7
Virginia	186.0	2.60	773	89	850	94
Washington	159.1	2.22	661	76	727	80
West Virginia	35.1	0.49	146	17	160	18
Wisconsin	131.0	1.83	544	63	598	66
Wyoming	11.1	0.16	46	5	51	6
United States	7,123.3	99.53	29,601	3,420	32,542	3,596
Guam	N/A	N/A	N/A	N/A	N/A	N/A
N. Mariana Isl.	N/A	N/A	N/A	N/A	N/A	N/A
Puerto Rico	33.7	0.47	140	16	154	17
Virgin Islands	N/A	N/A	N/A	N/A	N/A	N/A
Grand Total	\$7,157.0	100.00	\$29,741	\$3,436	\$32,696	\$3,613

Figures may not add up due to rounding.

Table 2.9
Billable Access Lines: 1998*

	<i>Resident Lines Non-Lifeline SOCC 2.19</i>	<i>Business Single Lines SOCC 2.19</i>	<i>Business Multilines SOCC 2.19</i>	<i>Estimate Non-Primary Residential</i>	<i>Primary Residential & Business Single Line</i>	<i>Business Multilines Adjusted</i>	<i>Bell Operating % Of Lines</i>	<i>Other Price Caps % Of Lines</i>	<i>NECA Pool & Rate-of- Return % of Lines</i>
Alabama	1,574,184	52,536	551,603	198,352	1,583,382	604,167	80.1	12.4	7.6
Alaska	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Arizona	1,929,977	52,036	764,313	255,436	1,854,189	813,523	93.7	5.3	1.1
Arkansas	731,821	32,344	252,943	113,849	906,817	337,846	68.8	15.1	16.1
California	10,801,546	443,574	7,919,309	3,089,660	8,327,253	8,040,294	78.4	20.8	0.9
Colorado	1,788,740	60,510	808,935	246,067	1,686,719	845,477	95.7	0.0	4.3
Connecticut	1,487,200	40,271	570,011	137,145	1,405,904	575,825	99.0	0.0	1.0
Delaware	360,503	11,479	177,889	59,004	312,978	177,889	100.0	0.0	0.0
Dist. of Columbia	290,722	4,373	596,467	46,808	248,287	596,467	100.0	0.0	0.0
Florida	7,413,589	220,256	3,047,920	977,352	6,780,425	3,097,402	59.3	39.1	1.6
Georgia	2,803,150	104,983	1,419,495	383,270	2,855,049	1,580,663	83.8	0.6	15.7
Hawaii	459,900	20,499	210,920	68,726	411,756	210,957	0.0	100.0	0.0
Idaho	456,807	20,007	168,205	58,638	468,266	185,875	71.7	21.7	6.6
Illinois	4,734,127	168,599	2,818,380	598,822	4,427,445	2,889,398	85.6	12.3	2.1
Indiana	2,265,587	76,102	987,509	255,988	2,189,876	1,031,441	62.4	33.5	4.1
Iowa	953,678	36,894	378,117	114,007	1,084,978	457,672	65.1	21.0	14.0
Kansas	914,658	35,638	373,460	153,741	972,195	442,485	84.0	8.6	7.4
Kentucky	1,252,225	49,034	390,897	144,394	1,350,114	448,949	56.9	34.7	8.4
Louisiana	1,628,954	45,561	634,745	221,404	1,581,964	683,588	92.9	0.0	7.1
Maine	445,190	33,458	148,499	75,924	494,250	176,895	83.9	0.0	16.1
Maryland	2,352,960	54,438	1,183,393	381,863	2,029,989	1,185,583	99.8	0.0	0.2
Massachusetts	2,734,358	218,849	1,328,948	468,440	2,487,330	1,330,101	99.9	0.0	0.1
Michigan	3,857,280	129,574	1,925,119	498,960	3,631,076	1,994,257	84.9	12.0	3.1
Minnesota	1,455,192	66,909	730,675	192,295	1,859,837	985,113	74.1	13.3	12.6
Mississippi	892,135	37,999	323,033	142,156	852,038	345,281	93.6	0.4	6.0
Missouri	2,218,700	86,911	830,152	304,133	2,127,766	875,623	75.2	19.7	5.1
Montana	253,791	13,310	94,246	35,066	351,870	136,530	69.1	1.6	29.3
Nebraska	592,925	28,598	249,762	69,232	650,735	289,322	52.5	36.7	10.9
Nevada	801,063	24,891	387,061	158,725	705,247	404,877	27.4	70.4	2.2
New Hampshire	530,292	36,100	207,376	89,842	513,919	221,058	93.8	0.0	6.2
New Jersey	4,193,663	98,713	2,103,145	678,095	3,620,802	2,106,340	96.6	3.2	0.2
New Mexico	615,336	22,247	221,681	80,475	626,193	245,701	85.2	10.4	4.4
New York	7,432,910	419,765	3,645,624	1,205,781	6,894,106	3,760,393	90.1	7.7	2.3
North Carolina	2,993,733	156,912	1,149,244	353,408	3,288,612	1,328,480	49.8	36.7	13.5
North Dakota	167,334	7,319	73,900	23,240	257,739	118,889	62.1	0.0	37.9
Ohio	4,567,014	339,100	1,695,361	561,874	4,585,434	1,778,708	59.6	33.2	7.2
Oklahoma	1,230,310	48,930	425,655	211,431	1,235,290	481,383	82.7	5.8	11.6
Oregon	1,297,025	57,647	535,473	175,508	1,297,724	582,337	65.9	26.8	7.3
Pennsylvania	5,299,333	238,133	2,202,595	828,743	4,960,876	2,302,892	77.4	13.2	9.4
Rhode Island	406,827	29,083	173,147	69,144	366,766	173,147	100.0	0.0	0.0
South Carolina	1,137,789	42,564	453,763	141,880	1,458,051	615,061	65.5	13.9	20.6
South Dakota	177,529	9,564	84,787	24,895	260,554	129,360	65.5	0.0	34.5
Tennessee	2,054,129	61,662	738,934	263,890	2,153,152	844,145	80.0	10.4	9.6
Texas	7,589,692	254,501	3,403,569	1,239,913	7,089,018	3,613,895	77.7	18.1	4.2
Utah	728,367	22,828	335,039	98,810	690,241	351,923	95.4	1.9	2.7
Vermont	208,340	19,376	84,425	36,120	232,728	99,675	84.7	0.0	15.3
Virginia	2,891,459	75,571	1,411,435	413,685	2,628,210	1,447,049	76.0	21.5	2.5
Washington	2,349,520	84,071	955,450	331,981	2,284,352	1,027,196	68.0	25.0	7.0
West Virginia	598,411	18,169	188,202	88,122	650,487	225,449	83.5	14.9	1.6
Wisconsin	1,719,927	54,126	798,735	210,819	1,962,764	978,616	67.0	15.8	17.1
Wyoming	160,666	8,841	74,233	22,372	181,779	89,405	83.4	2.6	14.0
United States	105,800,568	4,274,855	50,233,779	16,599,487	100,876,533	53,264,602	76.6	17.9	5.5
Guam	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N. Mariana Isl.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Puerto Rico	948,018	119,541	85,825	0	1,067,559	85,825	0.0	0.0	100.0
Virgin Islands	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Grand Total	106,748,586	4,394,396	50,319,604	16,599,487	101,944,092	53,350,427	76.0	17.8	6.3

Figures may not add up due to rounding.

* Billable access lines are defined in the notes of Table 2.19 of the *Statistics of Communication Common Carriers*.

Table 2.10
Subscriber Line Charge (SLC) Rates and Revenue: 1998

	<i>Multiline Business Rate Bell Operating Per Month</i>	<i>Multiline Business Rate Other Price Cap Per Month</i>	<i>Multiline Business Rate State-Wide Per Month</i>	<i>Non-Primary Residential Rate</i>	<i>Primary Residential Rate</i>	<i>Estimated SLC (Millions)</i>	<i>Allocation Percentage</i>	<i>SLC USF & TRS (Millions)</i>
Alabama	\$8.24	\$8.99	\$8.16	\$5.00	\$3.50	\$138	1.40	\$134
Alaska	N/A	N/A	N/A	N/A	3.50	N/A	N/A	N/A
Arizona	9.00	9.00	8.97	5.00	3.50	181	1.84	176
Arkansas	7.18	9.00	7.26	5.00	3.50	74	0.76	72
California	5.39	7.43	5.82	5.00	3.50	1,097	11.17	1,067
Colorado	9.00	0.00	8.87	5.00	3.50	176	1.79	171
Connecticut	7.79	0.00	7.77	5.00	3.50	121	1.23	118
Delaware	6.21	0.00	6.21	5.00	3.50	30	0.31	29
Dist. of Columbia	3.67	0.00	3.67	3.67	3.24	39	0.39	38
Florida	8.24	8.57	8.33	5.00	3.50	653	6.66	635
Georgia	8.24	8.91	7.89	5.00	3.50	293	2.98	285
Hawaii	0.00	8.76	8.76	5.00	3.50	44	0.44	42
Idaho	9.00	9.00	8.80	5.00	3.50	43	0.44	42
Illinois	5.79	7.70	6.03	5.00	3.50	431	4.39	419
Indiana	5.80	7.40	6.34	5.00	3.50	186	1.89	181
Iowa	7.40	8.06	7.34	5.00	3.50	93	0.95	90
Kansas	7.18	9.00	7.25	5.00	3.50	89	0.90	86
Kentucky	8.24	8.31	8.08	5.00	3.50	109	1.11	106
Louisiana	8.24	0.00	8.08	5.00	3.50	146	1.49	142
Maine	8.27	0.00	7.91	5.00	3.50	42	0.43	41
Maryland	6.60	0.00	6.60	5.00	3.50	202	2.06	197
Massachusetts	8.27	0.00	8.27	5.00	3.50	265	2.70	257
Michigan	5.41	8.79	5.83	5.00	3.50	322	3.28	313
Minnesota	7.45	7.79	7.31	5.00	3.50	176	1.79	171
Mississippi	8.24	8.91	8.11	5.00	3.50	78	0.79	76
Missouri	7.18	8.89	7.46	5.00	3.50	186	1.90	181
Montana	9.00	9.00	8.12	5.00	3.50	30	0.31	29
Nebraska	8.90	6.87	7.84	5.00	3.50	59	0.60	57
Nevada	7.11	4.88	5.51	4.72	3.50	65	0.67	64
New Hampshire	8.27	0.00	8.13	5.00	3.50	49	0.49	47
New Jersey	6.12	7.46	6.16	5.00	3.50	349	3.55	339
New Mexico	9.00	8.75	8.84	5.00	3.50	57	0.58	56
New York	8.27	7.18	8.14	5.00	3.50	729	7.43	709
North Carolina	8.24	7.72	7.75	5.00	3.50	283	2.88	275
North Dakota	8.69	0.00	7.67	5.00	3.50	23	0.24	23
Ohio	5.72	7.41	6.30	5.00	3.50	361	3.68	351
Oklahoma	7.18	9.00	7.15	5.00	3.50	106	1.08	103
Oregon	8.98	8.28	8.57	5.00	3.50	125	1.27	122
Pennsylvania	6.36	6.86	6.39	5.00	3.50	435	4.43	423
Rhode Island	8.27	0.00	8.27	5.00	3.50	37	0.37	36
South Carolina	8.24	8.96	7.88	5.00	3.50	128	1.30	124
South Dakota	9.00	0.00	7.97	5.00	3.50	25	0.25	24
Tennessee	8.24	7.74	7.97	5.00	3.50	187	1.91	182
Texas	7.18	8.92	7.45	5.00	3.50	695	7.08	676
Utah	8.69	9.00	8.62	5.00	3.50	71	0.73	69
Vermont	8.27	0.00	7.92	5.00	3.50	21	0.22	21
Virginia	6.95	8.82	7.33	5.00	3.50	262	2.67	255
Washington	7.96	9.00	8.08	5.00	3.50	216	2.20	210
West Virginia	8.76	9.00	8.75	5.00	3.50	56	0.57	55
Wisconsin	5.28	8.67	5.94	5.00	3.50	165	1.68	160
Wyoming	9.00	9.00	8.58	5.00	3.50	18	0.19	18
United States			7.09			9,762	99.48	9,496
Guam	N/A	N/A	N/A			N/A	N/A	N/A
N. Mariana Isl.	N/A	N/A	N/A			N/A	N/A	N/A
Puerto Rico	0.00	0.00	6.00	0.00	3.50	51	0.52	50
Virgin Islands	N/A	N/A	N/A			N/A	N/A	N/A
Grand Total			7.06			\$9,813	100.00	\$9,546

Figures may not add up due to rounding.

Table 2.11
Interstate Access Revenue: 1998*

	<i>Interstate Access SOCC, 2.13 (Millions)</i>	<i>Interstate Access, SOCC Adjusted (Millions)</i>	<i>SLC (Millions)</i>	<i>Net Access (Millions)</i>	<i>Allocation Percentage</i>	<i>Interstate Access End-User</i>	<i>Interstate Access Industry (Millions)</i>
Alabama	\$349	\$382	\$134	\$248	1.43	\$24	\$222
Alaska	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Arizona	430	458	176	282	1.62	28	253
Arkansas	174	233	72	160	0.92	16	144
California	2,603	2,642	1,067	1,576	9.06	154	1,412
Colorado	454	475	171	304	1.75	30	272
Connecticut	379	382	118	265	1.52	26	237
Delaware	65	65	29	35	0.20	3	32
Dist. of Columbia	144	144	38	106	0.61	10	95
Florida	1,655	1,682	635	1,046	6.02	102	937
Georgia	774	862	285	578	3.32	57	517
Hawaii	143	143	42	101	0.58	10	91
Idaho	142	157	42	115	0.66	11	103
Illinois	1,011	1,036	419	617	3.55	60	553
Indiana	504	527	181	346	1.99	34	310
Iowa	225	273	90	182	1.05	18	163
Kansas	206	244	86	157	0.91	15	141
Kentucky	302	347	106	241	1.39	24	216
Louisiana	334	359	142	217	1.25	21	195
Maine	126	150	41	109	0.63	11	98
Maryland	464	465	197	269	1.54	26	241
Massachusetts	811	812	257	554	3.19	54	497
Michigan	763	791	313	477	2.74	47	428
Minnesota	349	471	171	300	1.72	29	269
Mississippi	208	222	76	146	0.84	14	131
Missouri	527	555	181	374	2.15	37	335
Montana	64	93	29	64	0.37	6	57
Nebraska	154	179	57	122	0.70	12	109
Nevada	166	174	64	110	0.64	11	99
New Hampshire	173	184	47	137	0.79	13	123
New Jersey	941	943	339	604	3.47	59	541
New Mexico	163	181	56	125	0.72	12	112
New York	2,128	2,195	709	1,486	8.55	145	1,331
North Carolina	699	808	275	533	3.07	52	477
North Dakota	46	74	23	52	0.30	5	46
Ohio	931	977	351	626	3.60	61	561
Oklahoma	252	284	103	181	1.04	18	163
Oregon	345	375	122	253	1.46	25	227
Pennsylvania	977	1,022	423	599	3.44	59	536
Rhode Island	118	118	36	82	0.47	8	73
South Carolina	276	375	124	250	1.44	24	224
South Dakota	55	83	24	59	0.34	6	53
Tennessee	446	509	182	327	1.88	32	293
Texas	1,775	1,885	676	1,208	6.95	118	1,083
Utah	189	198	69	129	0.74	13	115
Vermont	69	82	21	61	0.35	6	55
Virginia	696	714	255	458	2.64	45	411
Washington	574	617	210	408	2.34	40	365
West Virginia	140	168	55	113	0.65	11	102
Wisconsin	371	455	160	295	1.70	29	264
Wyoming	51	62	18	44	0.25	4	40
United States	24,942	26,631	9,496	17,135	98.55	1,676	15,352
Guam	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N. Mariana Isl.	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Puerto Rico	301	301	50	251	1.45	25	225
Virgin Islands	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Grand Total	\$25,243	\$26,932	\$9,546	\$17,386	100.00	1,701	\$15,577

Figures may not add up due to rounding.

* Includes switched and special access revenue and private line revenue.

Table 2.12
Intrastate Access Revenue: 1998

	<i>State-Access SOCC, 2.13 (Millions)</i>	<i>State-Access SOCC, Adjusted (Millions)</i>	<i>Allocation Percentage</i>	<i>Intrastate Access End-User (Millions)</i>	<i>Intrastate Access Industry (Millions)</i>
Alabama	\$52	\$57	0.65	\$2	\$55
Alaska	N/A	N/A	N/A	N/A	N/A
Arizona	123	131	1.48	4	126
Arkansas	44	58	0.66	2	56
California	1,195	1,213	13.71	39	1,171
Colorado	132	138	1.55	4	133
Connecticut	58	59	0.67	2	57
Delaware	5	5	0.05	0	4
Dist. of Columbia	0	0	0.00	0	0
Florida	620	630	7.12	20	608
Georgia	143	159	1.80	5	153
Hawaii	23	23	0.26	1	22
Idaho	30	33	0.37	1	32
Illinois	224	229	2.59	7	221
Indiana	229	239	2.70	8	231
Iowa	103	125	1.41	4	121
Kansas	62	74	0.83	2	71
Kentucky	117	134	1.52	4	130
Louisiana	63	68	0.76	2	65
Maine	43	51	0.58	2	50
Maryland	93	93	1.06	3	90
Massachusetts	57	57	0.64	2	55
Michigan	309	320	3.62	10	309
Minnesota	129	174	1.97	6	168
Mississippi	25	27	0.30	1	26
Missouri	235	248	2.80	8	239
Montana	21	30	0.34	1	29
Nebraska	71	83	0.94	3	80
Nevada	19	19	0.22	1	19
New Hampshire	17	18	0.20	1	17
New Jersey	282	282	3.19	9	272
New Mexico	58	64	0.72	2	62
New York	374	386	4.36	12	372
North Carolina	341	394	4.45	13	380
North Dakota	18	28	0.32	1	27
Ohio	335	352	3.98	11	340
Oklahoma	40	46	0.52	1	44
Oregon	104	113	1.28	4	109
Pennsylvania	442	462	5.22	15	446
Rhode Island	8	8	0.09	0	8
South Carolina	81	109	1.24	3	105
South Dakota	15	24	0.27	1	23
Tennessee	81	93	1.05	3	89
Texas	1,197	1,271	14.37	40	1,227
Utah	33	34	0.39	1	33
Vermont	15	17	0.20	1	17
Virginia	258	264	2.99	8	255
Washington	218	235	2.65	7	226
West Virginia	39	46	0.52	1	45
Wisconsin	88	108	1.22	3	104
Wyoming	11	13	0.15	0	13
United States	8,278	8,845	99.96	281	8,535
Guam	N/A	N/A	N/A	N/A	N/A
N. Mariana Isl.	N/A	N/A	N/A	N/A	N/A
Puerto Rico	4	4	0.04	0	3
Virgin Islands	N/A	N/A	N/A	N/A	N/A
Grand Total	\$8,282	\$8,849	100.00	\$281	\$8,538

Figures may not add up due to rounding.

Table 2.13
Local Exchange Carrier (LEC) Intrastate Toll Revenue: 1998

	<i>LEC Toll Revenue SOCC, 2.13 (Millions)</i>	<i>LEC Toll Revenue Adjusted (Millions)</i>
Alabama	572	579
Alaska	N/A	N/A
Arizona	36	38
Arkansas	100	134
California	1,501	1,524
Colorado	117	122
Connecticut	191	193
Delaware	11	11
Dist. of Columbia	0	0
Florida	206	210
Georgia	78	87
Hawaii	14	14
Idaho	31	34
Illinois	219	224
Indiana	159	166
Iowa	72	87
Kansas	95	113
Kentucky	56	65
Louisiana	46	50
Maine	129	154
Maryland	73	73
Massachusetts	363	363
Michigan	773	801
Minnesota	39	52
Mississippi	83	89
Missouri	201	212
Montana	27	40
Nebraska	42	49
Nevada	16	17
New Hampshire	71	76
New Jersey	520	521
New Mexico	41	46
New York	230	238
North Carolina	95	110
North Dakota	27	43
Ohio	211	222
Oklahoma	142	160
Oregon	94	102
Pennsylvania	363	380
Rhode Island	38	38
South Carolina	71	96
South Dakota	24	37
Tennessee	96	109
Texas	387	411
Utah	60	64
Vermont	29	35
Virginia	89	91
Washington	198	213
West Virginia	37	44
Wisconsin	160	195
Wyoming	18	22
United States	7,755	8,253
Guam	N/A	N/A
N. Mariana Isl.	N/A	N/A
Puerto Rico	245	245
Virgin Islands	N/A	N/A
Grand Total	\$8,000	\$8,498

Figures may not add up due to rounding.

Table 2.14
Non-LEC Intrastate Toll: 1998

	<i>Intrastate-Interlata Access Minutes (Origin & Termin) SOCC 2.6 (Thousands)</i>	<i>Intrastate-Interlata Access Minutes (Origin & Termin) Adjusted (Thousands)</i>	<i>% Of Nation</i>	<i>Toll End-User (Millions)</i>	<i>Toll Industry (Millions)</i>
Alabama	2,231,864	2,444,544	1.19	\$269	\$312
Alaska	N/A	N/A	N/A	N/A	N/A
Arizona	1,606,768	1,710,220	0.84	188	218
Arkansas	1,065,346	1,422,942	0.70	157	181
California	40,199,047	40,813,175	19.94	4,489	5,204
Colorado	1,570,398	1,641,338	0.80	181	209
Connecticut	69,219	69,925	0.03	8	9
Delaware	99,838	99,838	0.05	11	13
Dist. of Columbia	0	0	0.00	0	0
Florida	14,273,375	14,505,097	7.09	1,595	1,849
Georgia	4,043,638	4,502,749	2.20	495	574
Hawaii	18,049	18,052	0.01	2	2
Idaho	329,575	364,197	0.18	40	46
Illinois	10,893,307	11,167,800	5.46	1,228	1,424
Indiana	4,493,244	4,693,136	2.29	516	598
Iowa	1,635,699	1,979,846	0.97	218	252
Kansas	1,337,526	1,584,737	0.77	174	202
Kentucky	2,133,524	2,450,372	1.20	270	312
Louisiana	2,536,362	2,731,534	1.33	300	348
Maine	0	0	0.00	0	0
Maryland	3,864,920	3,872,072	1.89	426	494
Massachusetts	2,537,604	2,539,806	1.24	279	324
Michigan	10,324,475	10,695,264	5.22	1,176	1,364
Minnesota	2,138,033	2,882,545	1.41	317	368
Mississippi	835,062	892,574	0.44	98	114
Missouri	2,665,318	2,811,309	1.37	309	358
Montana	361,700	523,977	0.26	58	67
Nebraska	863,357	1,000,106	0.49	110	128
Nevada	513,274	536,900	0.26	59	68
New Hampshire	0	0	0.00	0	0
New Jersey	10,508,481	10,524,445	5.14	1,158	1,342
New Mexico	481,626	533,812	0.26	59	68
New York	6,797,078	7,011,058	3.42	771	894
North Carolina	5,921,914	6,845,496	3.34	753	873
North Dakota	283,539	456,153	0.22	50	58
Ohio	10,085,839	10,581,677	5.17	1,164	1,349
Oklahoma	1,282,728	1,450,665	0.71	160	185
Oregon	1,502,013	1,633,469	0.80	180	208
Pennsylvania	10,438,015	10,913,319	5.33	1,200	1,392
Rhode Island	0	0	0.00	0	0
South Carolina	1,584,445	2,147,665	1.05	236	274
South Dakota	215,367	328,586	0.16	36	42
Tennessee	2,120,299	2,422,192	1.18	266	309
Texas	16,463,095	17,480,444	8.54	1,923	2,229
Utah	404,569	424,957	0.21	47	54
Vermont	0	0	0.00	0	0
Virginia	5,032,569	5,159,552	2.52	568	658
Washington	3,111,913	3,345,592	1.63	368	427
West Virginia	724,455	867,833	0.42	95	111
Wisconsin	3,638,856	4,458,354	2.18	490	568
Wyoming	147,242	177,336	0.09	20	23
United States	193,384,565	204,716,661	100.00	22,518	26,103
Guam	N/A	N/A	N/A	N/A	N/A
N. Mariana Isl.	N/A	N/A	N/A	N/A	N/A
Puerto Rico	0	0	0.00	0.00	0
Virgin Islands	N/A	N/A	N/A	N/A	N/A
Grand Total	193,384,565	204,716,661	100.00	\$22,518	\$26,103

Figures may not add up due to rounding.

Table 2.15
Interstate Toll: 1998

	<i>Interstate Access Minutes (Origin & Termin) SOCC, 2.6 (Thousands)</i>	<i>Interstate Access Minutes (origin & Termin) Adjusted (Thousands)</i>	<i>Interstate % of Nation</i>	<i>Interstate Toll End-User (Millions)</i>	<i>Interstate Toll Industry (Millions)</i>
Alabama	6,459,278	7,074,799	1.33	5801	5940
Alaska	N/A	N/A	N/A	N/A	N/A
Arizona	10,424,561	11,095,746	2.09	1,257	1,474
Arkansas	3,294,272	4,400,035	0.83	498	585
California	47,788,875	48,518,954	9.15	5,496	6,447
Colorado	10,494,400	10,968,465	2.07	1,242	1,457
Connecticut	8,502,715	8,589,434	1.62	973	1,141
Delaware	2,246,802	2,246,802	0.42	254	299
Dist. of Columbia	2,955,123	2,955,123	0.56	335	393
Florida	35,369,421	35,943,628	6.78	4,071	4,776
Georgia	15,539,439	17,303,771	3.26	1,960	2,299
Hawaii	2,171,615	2,171,992	0.41	246	289
Idaho	2,509,928	2,773,599	0.52	314	369
Illinois	22,464,614	23,030,684	4.34	2,609	3,060
Indiana	9,245,651	9,656,965	1.82	1,094	1,283
Iowa	4,219,466	5,107,230	0.96	579	679
Kansas	4,449,258	5,271,600	0.99	597	700
Kentucky	5,868,503	6,740,030	1.27	763	896
Louisiana	6,620,039	7,129,448	1.34	808	947
Maine	2,128,365	2,535,345	0.48	287	337
Maryland	11,782,646	11,804,450	2.23	1,337	1,569
Massachusetts	14,622,523	14,635,214	2.76	1,658	1,945
Michigan	13,519,461	14,004,993	2.64	1,586	1,861
Minnesota	6,660,112	8,979,315	1.69	1,017	1,193
Mississippi	4,153,491	4,439,549	0.84	503	590
Missouri	9,428,765	9,945,221	1.88	1,127	1,321
Montana	1,396,271	2,022,709	0.38	229	269
Nebraska	2,892,735	3,350,922	0.63	380	445
Nevada	4,892,509	5,117,707	0.97	580	680
New Hampshire	3,459,621	3,687,875	0.70	418	490
New Jersey	23,232,201	23,267,495	4.39	2,636	3,092
New Mexico	3,361,924	3,726,201	0.70	422	495
New York	37,250,346	38,423,031	7.25	4,352	5,106
North Carolina	13,715,946	15,855,086	2.99	1,796	2,107
North Dakota	909,538	1,463,251	0.28	166	194
Ohio	16,616,249	17,433,133	3.29	1,975	2,316
Oklahoma	5,240,283	5,926,352	1.12	671	787
Oregon	6,441,986	7,005,786	1.32	794	931
Pennsylvania	21,081,508	22,041,473	4.16	2,497	2,929
Rhode Island	2,405,430	2,405,430	0.45	272	320
South Carolina	5,743,530	7,785,174	1.47	882	1,034
South Dakota	1,080,079	1,647,882	0.31	187	219
Tennessee	9,163,673	10,468,419	1.97	1,186	1,391
Texas	30,737,746	32,637,208	6.16	3,697	4,337
Utah	3,906,722	4,103,599	0.77	465	545
Vermont	1,342,352	1,584,820	0.30	180	211
Virginia	15,953,420	16,355,961	3.09	1,853	2,173
Washington	10,882,402	11,699,581	2.21	1,325	1,555
West Virginia	255,751	3,063,680	0.58	347	407
Wisconsin	6,685,215	8,190,777	1.55	928	1,088
Wyoming	1,088,085	1,310,470	0.25	148	174
United States	494,956,611	527,896,411	99.59	59,796	70,145
Guam	N/A	N/A	N/A	N/A	N/A
N. Mariana Isl.	N/A	N/A	N/A	N/A	N/A
Puerto Rico	2,182,290	2,182,290	0.41	247	290
Virgin Islands	N/A	N/A	N/A	N/A	N/A
Grand Total	497,138,901	530,078,701	100.00	\$60,043	\$70,435

Figures may not add up due to rounding.

**Table 2.16
Intrastate Industry Telephone Revenue: 1998**

	<i>Local Exchange Intrastate Industry (Millions)</i>	<i>CLEC Industry (Millions)</i>	<i>Wireless Intrastate Industry (Millions)</i>	<i>Intrastate Access Industry (Millions)</i>	<i>Intralata Toll Adjusted (Millions)</i>	<i>Intrastate-Interlata Toll, Industry (Millions)</i>	<i>Adjustments* (Millions)</i>	<i>Intrastate Revenue (Millions)</i>
Alabama	\$1,083	\$25	\$426	\$55	\$79	\$312	\$0	\$1,980
Alaska	N/A	N/A	N/A	N/A	N/A	N/A	322	322
Arizona	1,010	39	492	126	38	218	0	1,924
Arkansas	528	11	236	56	134	181	0	1,146
California	6,456	318	4,104	1,171	1,524	5,204	0	18,776
Colorado	1,171	53	520	133	122	209	0	2,208
Connecticut	703	33	562	57	193	9	0	1,557
Delaware	164	7	101	4	11	13	0	301
Dist. of Columbia	385	33	89	0	0	0	0	508
Florida	3,704	109	1,762	608	210	1,849	0	8,241
Georgia	2,309	95	873	153	87	574	0	4,092
Hawaii	328	4	143	22	14	2	0	513
Idaho	240	1	118	32	34	46	0	471
Illinois	2,886	150	1,589	221	224	1,424	0	6,494
Indiana	1,224	19	653	231	166	598	0	2,891
Iowa	450	33	313	121	87	252	0	1,256
Kansas	592	21	300	71	113	202	0	1,299
Kentucky	837	17	387	130	65	312	0	1,747
Louisiana	1,110	27	426	65	50	348	0	2,027
Maine	259	5	131	50	154	0	0	599
Maryland	1,350	31	703	90	73	494	0	2,741
Massachusetts	1,640	91	921	55	363	324	0	3,394
Michigan	1,936	76	1,159	309	801	1,364	0	5,645
Minnesota	1,077	62	594	168	52	368	0	2,320
Mississippi	673	13	238	26	89	114	0	1,152
Missouri	1,197	22	607	239	212	358	0	2,635
Montana	188	1	81	29	40	67	0	406
Nebraska	468	12	188	80	49	128	0	924
Nevada	357	18	217	19	17	68	0	696
New Hampshire	283	13	157	17	76	0	0	546
New Jersey	1,674	62	1,258	272	521	1,342	0	5,130
New Mexico	390	6	158	62	46	68	0	729
New York	5,813	155	2,635	372	238	894	0	10,106
North Carolina	1,983	44	829	380	110	873	0	4,219
North Dakota	124	4	63	27	43	58	0	319
Ohio	2,568	80	1,287	340	222	1,349	0	5,845
Oklahoma	672	28	322	44	160	185	0	1,411
Oregon	704	32	371	109	102	208	0	1,528
Pennsylvania	2,276	109	1,469	446	380	1,392	0	6,071
Rhode Island	229	6	121	8	38	0	0	402
South Carolina	1,023	28	373	105	96	274	0	1,899
South Dakota	139	5	74	23	37	42	0	321
Tennessee	1,369	56	584	89	109	309	0	2,517
Texas	4,477	245	2,253	1,227	411	2,229	0	10,842
Utah	393	23	201	33	64	54	0	769
Vermont	172	6	65	17	35	0	0	295
Virginia	1,666	24	850	255	91	658	0	3,544
Washington	1,155	39	727	226	213	427	0	2,786
West Virginia	421	1	160	45	44	111	0	781
Wisconsin	1,067	41	598	104	195	568	0	2,575
Wyoming	108	2	51	13	22	23	0	218
United States	63,028	2,337	32,542	8,535	8,253	26,103	322	141,119
Guam	N/A	N/A	N/A	N/A	N/A	N/A	59	59
N. Mariana Isl.	N/A	N/A	N/A	N/A	N/A	N/A	16	16
Puerto Rico	460	0	154	3	245	0	0	863
Virgin Islands	N/A	N/A	N/A	N/A	N/A	N/A	N/A	50
Grand Total	\$63,488	\$2,337	\$32,696	\$8,538	\$8,498	\$26,103	\$397	\$142,107

Figures may not add up due to rounding.

* See Section III.H.1

Table 2.17
Intrastate End-User Revenue: 1998

	<i>Local Exchange Intrastate End-User (Millions)</i>	<i>CLEC End-User (Millions)</i>	<i>Wireless Intrastate End-User (Millions)</i>	<i>Intrastate Access End-User (Millions)</i>	<i>Intralata Toll Adjusted (Millions)</i>	<i>Intrastate-Interlata Toll, End-User (Millions)</i>	<i>Adjustments*</i>	<i>Intrastate Revenue (Millions)</i>
Alabama	\$1,025	\$14	\$388	\$2	\$79	\$269	\$0	\$1,777
Alaska	N/A	N/A	N/A	N/A	N/A	N/A	278	278
Arizona	956	22	448	4	38	188	0	1,657
Arkansas	500	6	214	2	134	157	0	1,012
California	6,112	180	3,733	39	1,524	4,489	0	16,077
Colorado	1,108	30	473	4	122	181	0	1,918
Connecticut	665	19	512	2	193	8	0	1,398
Delaware	155	4	92	0	11	11	0	274
Dist. of Columbia	364	19	81	0	0	0	0	464
Florida	3,506	62	1,602	20	210	1,595	0	6,996
Georgia	2,185	54	795	5	87	495	0	3,622
Hawaii	311	2	130	1	14	2	0	459
Idaho	227	1	108	1	34	40	0	410
Illinois	2,732	85	1,445	7	224	1,228	0	5,722
Indiana	1,159	11	594	8	166	516	0	2,453
Iowa	426	19	285	4	87	218	0	1,038
Kansas	560	12	273	2	113	174	0	1,135
Kentucky	792	10	352	4	65	270	0	1,492
Louisiana	1,051	16	388	2	50	300	0	1,807
Maine	246	3	119	2	154	0	0	523
Maryland	1,278	18	639	3	73	426	0	2,437
Massachusetts	1,552	52	838	2	363	279	0	3,086
Michigan	1,833	43	1,055	10	801	1,176	0	4,918
Minnesota	1,019	35	540	6	52	317	0	1,970
Mississippi	637	7	217	1	89	98	0	1,049
Missouri	1,133	12	552	8	212	309	0	2,226
Montana	178	1	74	1	40	58	0	351
Nebraska	443	7	171	3	49	110	0	782
Nevada	338	10	197	1	17	59	0	622
New Hampshire	268	7	143	1	76	0	0	494
New Jersey	1,585	35	1,144	9	521	1,158	0	4,452
New Mexico	369	4	144	2	46	59	0	623
New York	5,503	88	2,397	12	238	771	0	9,008
North Carolina	1,878	25	754	13	110	753	0	3,532
North Dakota	117	3	57	1	43	50	0	271
Ohio	2,431	45	1,171	11	222	1,164	0	5,044
Oklahoma	636	16	293	1	160	160	0	1,266
Oregon	667	18	338	4	102	180	0	1,308
Pennsylvania	2,155	62	1,336	15	380	1,200	0	5,148
Rhode Island	217	3	110	0	38	0	0	368
South Carolina	968	16	340	3	96	236	0	1,659
South Dakota	132	3	68	1	37	36	0	276
Tennessee	1,296	32	531	3	109	266	0	2,238
Texas	4,238	139	2,049	40	411	1,923	0	8,801
Utah	372	13	183	1	64	47	0	680
Vermont	163	4	59	1	35	0	0	261
Virginia	1,577	14	773	8	91	568	0	3,031
Washington	1,094	22	661	7	213	368	0	2,365
West Virginia	398	0	146	1	44	95	0	685
Wisconsin	1,010	23	544	3	195	490	0	2,267
Wyoming	103	1	46	0	22	20	0	192
United States	59,667	1,326	29,601	281	8,253	22,518	278	121,923
Guam	N/A	N/A	N/A	N/A	N/A	N/A	51	51
N. Mariana Isl.	N/A	N/A	N/A	N/A	N/A	N/A	14	14
Puerto Rico	435	0	140	0	245	0	0	821
Virgin Islands	N/A	N/A	N/A	N/A	N/A	N/A	43	43
Grand Total	\$60,102	\$1,326	\$29,741	\$281	\$8,498	\$22,518	\$386	\$122,852

Figures may not add up due to rounding.

* See Section III.H.2.

Table 2.18
Interstate Industry Telephone Revenue: 1998

	<i>Local Exchange Interstate Industry (Millions)</i>	<i>CLEC Industry (Millions)</i>	<i>Wireless Interstate Industry (Millions)</i>	<i>SLC (Millions)</i>	<i>Access Industry (Millions)</i>	<i>Interstate Toll Industry (Millions)</i>	<i>Adjustments*</i>	<i>Interstate Revenue (Millions)</i>
Alabama	\$53	\$18	\$47	\$134	\$222	\$940	\$0	\$1,414
Alaska	N/A	N/A	N/A	N/A	N/A	N/A	269	269
Arizona	49	28	54	176	253	1,474	0	2,034
Arkansas	26	7	26	72	144	585	0	860
California	315	222	454	1,067	1,412	6,447	0	9,916
Colorado	57	37	57	171	272	1,457	0	2,052
Connecticut	34	23	62	118	237	1,141	0	1,616
Delaware	8	5	11	29	32	299	0	384
Dist. of Columbia	19	23	10	38	95	393	0	577
Florida	180	76	195	635	937	4,776	0	6,800
Georgia	113	67	97	285	517	2,299	0	3,377
Hawaii	16	3	16	42	91	289	0	456
Idaho	12	1	13	42	103	369	0	539
Illinois	141	105	176	419	553	3,060	0	4,453
Indiana	60	13	72	181	310	1,283	0	1,919
Iowa	22	23	35	90	163	679	0	1,012
Kansas	29	15	33	86	141	700	0	1,004
Kentucky	41	12	43	106	216	896	0	1,313
Louisiana	54	19	47	142	195	947	0	1,404
Maine	13	4	14	41	98	337	0	507
Maryland	66	22	78	197	241	1,569	0	2,171
Massachusetts	80	64	102	257	497	1,945	0	2,944
Michigan	94	53	128	313	428	1,861	0	2,877
Minnesota	52	43	66	171	269	1,193	0	1,794
Mississippi	33	9	26	76	131	590	0	865
Missouri	58	15	67	181	335	1,321	0	1,978
Montana	9	1	9	29	57	269	0	374
Nebraska	23	8	21	57	109	445	0	663
Nevada	17	13	24	64	99	680	0	897
New Hampshire	14	9	17	47	123	490	0	700
New Jersey	82	43	139	339	541	3,092	0	4,236
New Mexico	19	4	17	56	112	495	0	704
New York	283	108	291	709	1,331	5,106	0	7,829
North Carolina	97	30	92	275	477	2,107	0	3,078
North Dakota	6	3	7	23	46	194	0	280
Ohio	125	56	142	351	561	2,316	0	3,551
Oklahoma	33	19	36	103	163	787	0	1,141
Oregon	34	22	41	122	227	931	0	1,377
Pennsylvania	111	76	162	423	536	2,929	0	4,238
Rhode Island	11	4	13	36	73	320	0	457
South Carolina	50	19	41	124	224	1,034	0	1,493
South Dakota	7	4	8	24	53	219	0	315
Tennessee	67	39	65	182	293	1,391	0	2,036
Texas	218	172	249	676	1,083	4,337	0	6,734
Utah	19	16	22	69	115	545	0	788
Vermont	8	4	7	21	55	211	0	306
Virginia	81	17	94	255	411	2,173	0	3,032
Washington	56	27	80	210	365	1,555	0	2,293
West Virginia	20	0	18	55	102	407	0	602
Wisconsin	52	28	66	160	264	1,088	0	1,659
Wyoming	5	1	6	18	40	174	0	244
United States	3,072	1,634	3,596	9,496	15,352	70,145	269	103,563
Guam	N/A	N/A	N/A	N/A	N/A	N/A	44	44
N. Mariana Isl.	N/A	N/A	N/A	N/A	N/A	N/A	14	14
Puerto Rico	22	0	17	50	225	290	0	604
Virgin Islands	N/A	N/A	N/A	N/A	N/A	N/A	59	59
Grand Total	\$3,094	\$1,634	\$3,613	\$9,546	\$15,577	\$70,435	\$386	\$104,285

Figures may not add up due to rounding.

* See Section III.I.1.

Table 2.19
Interstate End-User Revenue: 1998

	<i>Local Exchange Interstate End-User (Millions)</i>	<i>CLEC Industry (Millions)</i>	<i>Wireless Interstate End-User (Millions)</i>	<i>SLC (Millions)</i>	<i>Access End-User (Millions)</i>	<i>Interstate Toll End-User (Millions)</i>	<i>Adjustments*</i>	<i>Interstate Revenue (Millions)</i>
Alabama	\$8	\$12	\$45	\$134	\$24	\$801	\$0	\$1,024
Alaska	N/A	N/A	N/A	N/A	N/A	N/A	197	197
Arizona	7	19	52	176	28	1,257	0	1,538
Arkansas	4	5	25	72	16	498	0	620
California	45	152	431	1,067	154	5,496	0	7,345
Colorado	8	25	55	171	30	1,242	0	1,531
Connecticut	5	16	59	118	26	973	0	1,196
Delaware	1	4	11	29	3	254	0	302
Dist. of Columbia	3	16	9	38	10	335	0	411
Florida	26	52	185	635	102	4,071	0	5,072
Georgia	16	46	92	285	57	1,960	0	2,455
Hawaii	2	2	15	42	10	246	0	317
Idaho	2	0	12	42	11	314	0	382
Illinois	20	72	167	419	60	2,609	0	3,347
Indiana	8	9	69	181	34	1,094	0	1,395
Iowa	3	16	33	90	18	579	0	738
Kansas	4	10	32	86	15	597	0	744
Kentucky	6	8	41	106	24	763	0	948
Louisiana	8	13	45	142	21	808	0	1,036
Maine	2	3	14	41	11	287	0	357
Maryland	9	15	74	197	26	1,337	0	1,658
Massachusetts	11	44	97	257	54	1,658	0	2,121
Michigan	13	36	122	313	47	1,586	0	2,118
Minnesota	7	30	62	171	29	1,017	0	1,317
Mississippi	5	6	25	76	14	503	0	629
Missouri	8	10	64	181	37	1,127	0	1,427
Montana	1	1	9	29	6	229	0	275
Nebraska	3	6	20	57	12	380	0	477
Nevada	2	9	23	64	11	580	0	688
New Hampshire	2	6	17	47	13	418	0	503
New Jersey	12	30	132	339	59	2,636	0	3,207
New Mexico	3	3	17	56	12	422	0	512
New York	40	74	277	709	145	4,352	0	5,598
North Carolina	14	21	87	275	52	1,796	0	2,245
North Dakota	1	2	7	23	5	166	0	203
Ohio	18	38	135	351	61	1,975	0	2,578
Oklahoma	5	13	34	103	18	671	0	844
Oregon	5	15	39	122	25	794	0	999
Pennsylvania	16	52	154	423	59	2,497	0	3,201
Rhode Island	2	3	13	36	8	272	0	333
South Carolina	7	13	39	124	24	882	0	1,090
South Dakota	1	3	8	24	6	187	0	228
Tennessee	9	27	61	182	32	1,186	0	1,497
Texas	31	117	237	676	118	3,697	0	4,876
Utah	3	11	21	69	13	465	0	582
Vermont	1	3	7	21	6	180	0	217
Virginia	12	12	89	255	45	1,853	0	2,265
Washington	8	18	76	210	40	1,325	0	1,678
West Virginia	3	0	17	55	11	347	0	433
Wisconsin	7	19	63	160	29	928	0	1,207
Wyoming	1	1	5	18	4	148	0	178
United States	437	1,117	3,420	9,496	1,676	59,796	197	\$76,139
Guam	N/A	N/A	N/A	N/A	N/A	N/A	32	32
N. Mariana Isl.	N/A	N/A	N/A	N/A	N/A	N/A	10	10
Puerto Rico	3	0	16	50	25	247	0	341
Virgin Islands	N/A	N/A	N/A	N/A	N/A	N/A	44	44
Grand Total	\$440	\$1,117	\$3,436	9,546	1,701	\$60,043	\$283	\$76,566

Figures may not add up due to rounding.

* See section III.1.2.



BellSouth Telecommunications, Inc.
P.O. Box 32410
Louisville, KY 40232

or
BellSouth Telecommunications, Inc.
Room 407
601 West Chestnut Street
Louisville, KY 40203

Creighton.Mershon@BellSouth.com

Creighton E. Mershon, Sr.
General Counsel-Kentucky

502 582-8219
Fax 502 582-1573

May 10, 2000

RECEIVED

MAY 10 2000

PUBLIC SERVICE
COMMISSION

Mr. Martin J. Huelsmann, Jr.
Executive Director
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602

Re: Review of BellSouth Telecommunications, Inc.'s Price
Regulation Plan
PSC 99-434

Dear Mr. Huelsmann:

Enclosed for filing in the above-captioned case are the
original and twelve (12) copies of the testimony of Fred L.
Gerwing and Stephen D. Rausch, BellSouth Telecommunications,
Inc.'s witnesses.

Sincerely,

Creighton E. Mershon, Sr.

Enclosures

cc: Parties of Record

212159

**REVIEW OF BELLSOUTH
TELECOMMUNICATIONS, INC.'S PRICE
REGULATION PLAN
CASE NO. 99-434**

Testimony of BellSouth's witnesses:

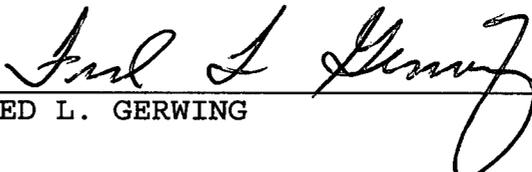
**Fred L. Gerwing
Stephen D. Rausch**

Filed: May 10, 2000

STATE OF KENTUCKY)
)
)
COUNTY OF JEFFERSON)

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally and came and appeared Fred L. Gerwing, who, being by me first duly sworn deposed and said that:

He is appearing as a witness on behalf of BellSouth Telecommunications, Inc. before the Kentucky Public Service Commission on the Review of BellSouth Telecommunications, Inc.'s Price Regulation Plan, Case No. 99-434, and if present before the Commission and duly sworn, his testimony would be set forth in the annexed transcript consisting of 19 pages and 2 exhibits.



FRED L. GERWING

SWORN TO AND SUBSCRIBED BEFORE ME this
9th day of May, 2000



NOTARY PUBLIC, Ky. State-at-Large

211280 My Commission Expires: Feb 5, 2001

1 BELL SOUTH TELECOMMUNICATIONS, INC.

2 Testimony of Fred L. Gerwing

3 Before the Kentucky Public Service Commission

4 CASE NO. 99-434

5 May 10, 2000

6 Q. PLEASE STATE YOUR NAME, POSITION WITH BELL SOUTH
7 TELECOMMUNICATIONS, INC. ("BELL SOUTH") AND YOUR BUSINESS
8 ADDRESS.

9 A. My name is Fred Gerwing. I am Vice President – Government Affairs for
10 BellSouth in Kentucky. My business address is 601 West Chestnut Street,
11 Louisville, Kentucky, 40203. I have been directly involved in all BellSouth
12 Kentucky regulatory matters for over 25 years, including, but not limited to the
13 development and implementation of BellSouth's Incentive Regulation, Price
14 Regulation and Local and intraLATA competition proceedings before the
15 Kentucky Public Service Commission ("Commission").

16
17 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

18 A. The purpose of my testimony is to explain the Transition Regulation Plan
19 ("TRP") filed on December 17, 1999, the associated Settlement Agreement
20 between BellSouth, AT&T and Sprint ("Agreement") attached to this testimony,
21 and why it is appropriate for the Commission to approve these proposals.

1 Q. WHY IS IT IMPORTANT FOR THIS COMMISSION TO CHANGE THE
2 CURRENT PRICE REGULATION PLAN (PRP) TO THAT OF THE TRP
3 PROPOSED IN THIS CASE?

4 A. The proposed TRP is more pro-competitive and provides pricing protection for
5 those customers with limited alternatives. The Company's TRP is a
6 comprehensive plan that takes into account the Commission's Audit Review, the
7 Telecommunications Act and the associated local competition issues, the
8 objectives of the Commission and the State, and the effect on consumers in
9 Kentucky. The TRP provides a more positive approach to capturing productivity.
10 Because of the improvements over the current PRP that are included in the
11 proposed TRP, BellSouth recommends that the Commission approve the proposed
12 plan and replace the PRP with the new TRP before the next annual filing
13 scheduled for July 1, 2000. The proposed plan is simply the next logical step in
14 the evolution of regulation of BellSouth in Kentucky.

15
16 Q. PLEASE DESCRIBE HOW THE AUDIT RECOMMENDATIONS DROVE
17 THE PROPOSED CHANGES IN THE CURRENT PLAN.

18 A. In 1995, when this Commission approved the current Price Regulation Plan, the
19 Commission ordered a Focused Management & Operations Audit of BellSouth
20 Telecommunications, Inc. ("audit") to review the Plan and BellSouth's
21 performance under the Plan after four years. This audit, completed by Vantage
22 Consulting in 1999, summarizes the significant industry changes taking place, the
23 Company's performance under price regulation, and the appropriate steps to take

1 to move towards deregulation. Although BellSouth's performance under the
2 current price regulation plan has been effective and the auditors found that service
3 has not suffered as a result, the findings and recommendations in this audit
4 include changes to the current plan.

5
6 There were some elements of the PRP plan that could be refined to operate more
7 efficiently to accomplish the pro-competitive objectives of the Commission.
8 BellSouth believes that these changes are appropriate in the current industry
9 environment, particularly since the Telecommunications Act of 1996 occurred
10 after the PRP became effective, and since the Act has played a significant role in
11 establishing the foundation for the telecommunications industry of the future.

12
13 In addition to consideration of the audit recommendations, the TRP deals with
14 several local competition issues and the appropriate framework going forward.
15 Those local competition issues include Unbundled Network Element ("UNE")
16 pricing, Universal Service Fund ("USF") and the associated subsidy shift, and the
17 quality of service requirements. In this process, BellSouth developed an
18 integrated plan that balances the needs of all the stakeholders involved. Those
19 stakeholders include Kentucky citizens, Consumer and Business Customers,
20 Competitive Local Exchange Carriers, Interexchange Carriers, BellSouth
21 shareholders, and the Commission.

22

1 Q. WHAT ARE THE COMMISSION OBJECTIVES USED IN DEVELOPING
2 THE TRP?

3 A. The TRP, as well as the current PRP, includes the following five objectives:

- 4 1) Ensure basic service continues to be available at reasonable rates, and
5 shield the basic ratepayer from significant price increases resulting
6 from the changing marketplace;
- 7 2) Continue to provide high quality service;
- 8 3) Permit the Commission and the Company to direct their energies to
9 meet customer's needs and enhance efficiency in the provision of
10 telecommunications services throughout Kentucky;
- 11 4) Provide enhanced incentives to invest in new technologies and
12 services;
- 13 5) Permit the Company the added flexibility to price competitive
14 services, set depreciation rates, and respond to a changing
15 marketplace.

16 The audit included two additional objectives that we used in developing the TRP.

- 17 6) Permit all BST-KY retail rates to move towards incremental cost or
18 market price;
- 19 7) Ensure that the potential introduction of competition to all markets in
20 Kentucky is not hindered by the PRP.

21 With these objectives in mind, as well as the Commonwealth's objective to
22 expand broadband deployment outside of the major markets, the Company has
23 proposed a refined TRP. See attachment FLG-1 for a comparison of these

1 objectives, the audit recommendations, and the TRP plan elements responding to
2 these inputs.

3

4 Q. WHAT ARE THE REFINEMENTS BELLSOUTH RECOMMENDS IN THE
5 PLAN?

6 A. The most significant changes proposed in the TRP include: 1) Eliminating the
7 productivity offset approach to pricing and replacing it with an infrastructure and
8 economic development commitment that is more valuable to the Commonwealth;
9 2) redefining baskets to focus on the Commission's pro-competitive objective, or
10 the industrial services; 3) rebalancing rates and eliminating the NTSRR access
11 element consistent with the Coalition for Affordable Local and Long distance
12 Service ("CALLS") proposal filed with the FCC, 4) addressing BST's
13 participation in the USF, and 5) refining the service objectives to ones more
14 appropriate in the digital telecommunications environment and that are consistent
15 with the Auditor's recommendations.

16

17 Q. WHY DO YOU RECOMMEND ELIMINATION OF THE PRODUCTIVITY
18 OFFSET?

19 A. Consistent with the audit recommendations and findings, the TRP includes a more
20 positive approach to capturing the productivity gains in the industry, than does the
21 current PRP productivity offset approach. The infrastructure commitment
22 proposal places broadband capabilities into markets that would not normally

1 support the deployment of such services, as opposed to making arbitrary rate
2 reductions for services already priced below market price or cost.

3

4 In addition, the audit evaluated the Total Factor Productivity measurement and
5 questioned its effectiveness as a tool for future regulatory oversight. In fact, the
6 auditors recommended the elimination of the productivity offset. The Company
7 also considered the Commission's Order in the Cincinnati Bell Case No. 98-292
8 that approved a price regulation plan without a productivity driven formula.

9 Based on all of these factors, it is no longer appropriate to continue to apply the
10 productivity offset.

11

12 Q. PLEASE DESCRIBE THE STRUCTURE OF THE TRP.

13 A. The TRP includes three categories, much like the PRP. Because the TRP includes
14 elimination of the productivity offset, the Category structure is not as significant a
15 piece of the plan as it was with the PRP. The TRP redefines the Service
16 Categories from Non-Competitive, Access and Competitive, to Industrial, Access
17 and Retail. This is consistent with the change in focus that the Commission has
18 had to make over the last four years to the wholesale aspect of the industry and
19 the local competition issues resulting from the Telecommunications Act of 1996.

20

21 Q. PLEASE DESCRIBE THE INDUSTRIAL CATEGORY IN THE TRP.

22 A. This category consists of UNE rates and resold services. The Industrial Category
23 of services is controlled by the FCC and state UNE rate policies as well as resale

1 requirements. These services are priced in accordance with FCC pricing
2 methodologies. BellSouth has committed to filing new cost studies by July 31,
3 2000 as required by the Commission in Administrative Case 382. Now that the
4 Commission has initiated a generic cost process in that case, it appears that the
5 Company's approach to this issue is fundamentally sound. Also, to effectively
6 implement a pro-competitive policy, these UNE rates need to be deaveraged. In
7 the interim, until the Commission completes its work, BellSouth has proposed a
8 set of deaveraged UNE rates that are lower than those presently approved in the
9 Stipulation agreed to by the parties in the Administrative Case 382. These rates
10 are based on BellSouth's rate group methodology for de-averaging. Although the
11 parties to the Settlement Agreement do not agree with this methodology, per se,
12 they agree to the lower prices proposed herein. Also, until the Commission can
13 complete BellSouth's "271" case, the Company has proposed an interim set of
14 Service Quality Measurements (SQMs). As is indicated by the absence of this
15 SQM issue in the settlement agreement filed in this case, BellSouth agrees to
16 handle these on a case-by-case basis in particular arbitration agreements, and to
17 wait until the Commission deals with these on a more permanent basis through
18 the 271 proceedings (96-608).

19

20 Q. PLEASE DESCRIBE THE ACCESS CATEGORY OF SERVICES.

21 A. The Access Category includes services such as Carrier Common Line, High
22 Capacity, Special Access, and Switched Access. The plan recognizes the need to
23 eliminate subsidies inherent in switched access prices. Both the plan and the

1 settlement agreement provide for a rate rebalance that removes the NTSRRR
2 element and moves the access rate to the interstate switched access level proposed
3 by the CALLS group. Upon the approval of the Settlement Agreement, the
4 Company agrees to reductions in access to achieve \$.0055 on each end of
5 switched access. In addition, switched access charges would continue to mirror
6 interstate levels on a going-forward basis.

7

8 Q. PLEASE DESCRIBE THE RETAIL CATEGORY OF SERVICES.

9 A. The Retail Category includes all other services not in the Industrial and Access
10 Categories, such as basic exchange and vertical services. The Retail Category
11 provides stability to Basic Service prices with a gradual rebalance increase over
12 two years and a cap on rate increases equal to inflation as opposed to the 10%
13 allowed in the current plan. The competitive framework has been developed to
14 the point (particularly with the proposed UNE and USF solutions proposed in the
15 TRP) that the market can now control most retail prices. Therefore, because the
16 definition of what is competitive has changed since the implementation of the
17 PRP, so has the TRP changed the definition. The Retail Category now includes
18 more flexibility for the services included because they are either discretionary,
19 intensely competitive, or are available through UNEs and/or resale.

20

21 Q. WHAT ARE THE DETAILS OF THE PROPOSED RATE REBALANCE?

22 A. Included in the Attachment FLG-2 to this testimony is the price-out associated
23 with the recommended rate rebalance. The revenue-neutral rate rebalance adjusts

1 rates closer to their costs by \$24 million. The plan filed on December 17, 1999,
2 as well as Mr. Steve Rausch's testimony, include the calculation of this rebalance
3 amount.

4
5 Q. HOW DOES THE REBALANCE AFFECT THE USF?

6 A. The revenue shift associated with this rebalance not only eliminates some of the
7 subsidy in business rates, but it also more closely aligns interexchange access
8 prices with market demands, and matches the CALLS proposal now pending
9 before the FCC.

10

11 In an order in AC360, dated December 10, 1999 (Order), the Commission
12 expressed concern about the size of the USF and the resultant large additional line
13 item on bills to accomplish USF objectives. In that order, the Commission stated
14 the following:

15 "Although the numbers are comparable, the Commission is concerned
16 about the size of the Kentucky intrastate universal service fund and its
17 impact on Kentucky ratepayers. Comments are requested on means to
18 minimize the impact of the Kentucky USF on ratepayers." (See Order,
19 page 5.)

20 The Commission specifically requested that the USF participants consider ways
21 of reducing the impact on Consumers. BellSouth is responding to that request.
22 The current PSC USF calculation could result in an additional \$5 line item charge
23 on the bills. The gradual rate rebalance accomplishes many of the same benefits

1 with only an increase between \$.85 and \$3.05 depending on which Rate Group
2 the customer resides.

3
4 Because it is imperative to address the subsidy issue in order to get prices more in
5 line with costs and to account for the deaveraged UNE prices, it is important to
6 deal with the USF issue. BellSouth recognizes that this is a difficult issue,
7 however, the Company has proposed an alternative that allows the prices for basic
8 residential services to increase gradually over a two-year term and according to
9 the pricing capabilities included in the current PRP. See Table 1 below.

10

	Current Rates	Increase Year 1	New Rate Yr 1	Increase Year 2	New Rate YR2	Total Increase (Yr 1 + Yr 2)
Rate Group 1	\$12.17	\$1.23	\$13.40	\$1.35	\$14.75	\$2.58
Rate Group 2	\$13.02	\$1.28	\$14.30	\$1.45	\$15.75	\$2.73
Rate Group 3	\$13.69	\$1.36	\$15.05	\$1.45	\$16.50	\$2.81
Rate Group 4	\$14.34	\$1.41	\$15.75	\$1.55	\$17.30	\$2.96
Exception RG	\$14.50	\$1.45	\$15.95	\$1.60	\$17.55	\$3.05
Rate Group 5	\$17.55	\$0.85	\$18.40	\$0.00	\$18.40	\$.85

11
12 Table 1: Residence Service Price Changes

13
14 Although this rebalance is less than what BellSouth would net at this time if the
15 Commission would implement a USF according to the FCC Synthesis Model, the
16 Company will accept this alternative in the interest of balancing the needs of all
17 the stakeholders in this proceeding, as well as to stay within the framework of the
18 current PRP with respect to price increase opportunities.

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Q. WHY IS IT APPROPRIATE TO REBALANCE RATES RATHER THAN ASSESS THE VALUE OF THE UNIVERSAL SERVICE FUND AND ADD A LINE ITEM ON THE BILL?

A. Again, the Commission has the unenviable task of balancing all of the local competition issues before it, as well as maintaining basic residential service rates that historically have been residually priced, at reasonable levels. However, to further a more pro-competitive policy in the state, it is necessary to deal with this issue. BellSouth has proposed a possible solution to this dilemma that is more beneficial to a majority of the Consumers in the state than would an additional line item on the bill. With the revenue neutral rebalance proposal, the Company foregoes any withdrawal from a universal service fund at this time. The proposed revenue-neutral rate rebalance effectively accomplishes the same objective through a gradual increase in rates, as opposed to an immediate increase through a separate line item on the bill, which could be significantly more than the rate increase proposed in the TRP.

Q. WHAT ARE THE DETAILS OF THE BROADBAND TECHNOLOGY COMMITMENT?

A. As recommended in the audit report, BellSouth commits to work with the Commission as well as economic development agencies in the state to decide which counties are the most appropriate for the development of broadband capabilities. The objective in this approach is to improve the technology and economic development position of the State, as opposed to punitive and arbitrary

1 rate reductions associated with the current Productivity Offset. As an example of
2 the possible solutions available to capture productivity more effectively, and
3 according to the proposal included in the agreement, BellSouth would commit to
4 deploy broadband technology to wire centers in Kentucky that would include 75%
5 of the BellSouth access lines in the state. The BellSouth proposal would include
6 approximately 40% of the access lines in Kentucky Rural Economic Development
7 Act ("KREDA") counties served by BellSouth, as well as approximately 90% of
8 the BellSouth cities involved in the Kentucky Community and Technical College
9 System ("KCTCS"). This deployment, which helps further the Commonwealth's
10 economic development, education, and technology positions, would be completed
11 by December 31, 2002. In addition to the infrastructure commitment, the TRP
12 includes a proposed Economic Development Discount Tariff.

13
14 Q. WHAT QUALITY OF SERVICES PROTECTIONS DOES THE TRP
15 INCLUDE?

16 A. Under the TRP, customer satisfaction and quality of service are still priorities for
17 BellSouth as well as the Commission in its regulation of BellSouth and
18 BellSouth's competitors. The Service Quality Measurements that are associated
19 with the Industrial Category of services will be filed according to the negotiated
20 and arbitrated agreements with the CLECs. In addition, the Company included in
21 the TRP some changes to the service objectives for BellSouth that are associated
22 with all telecommunications companies in the state. Because 807 KAR 5:061
23 Section 28 permits deviation from the Commission's regulations when good cause

1 is shown, the Company believes that the Commission has authority to modify
2 service objectives for BellSouth. As "good cause", the Company cites the
3 recommendation of the PSC-commissioned audit that the objectives be modified.
4

5 From a retail perspective, the Company will continue to submit a summary of
6 monthly service objectives for the state and for each district as follows: 1)
7 Percent of requests for regular service fulfilled within five (5) working days
8 unless applicant specifically requests a later date. (The objective for this service
9 objective continues to be 90 percent); 2) Average speed of answering time for
10 calls to repair service. (The objective for this is 20 seconds or less); 3) Percent
11 out-of-service troubles cleared within 36 hours unless the customer requests a
12 later date. (The objective for this is 85 percent). The Company recommends that
13 the time interval for clearing trouble be extended from 24 hours to 36 hours
14 because the longer time allowance would allow the Company to assign trouble
15 reports to service technicians more efficiently, and because the Company believes
16 that the twelve hour difference would be negligible in terms of customer
17 satisfaction with speed of repair.
18

19 Q. WHAT SERVICE OBJECTIVES ARE YOU RECOMMENDING TO
20 ELIMINATE AND WHY?

21 A. BellSouth currently reports its monthly performance on nine service objectives.
22 Those objectives are:

- 1) Percent of requests for regular service fulfilled within five (5) working days unless applicant specifically requests a later date. (Objective: 90%)
- 2) Percent of requests for regular regrades within thirty (30) days unless applicant specifically requests a later date. (Objective: 90%)
- 3) Percent of telephone calls receiving dial tone within three (3) seconds (including busy season-busy hour). (Objective: 95%)
- 4) Percent of telephone calls experiencing blockage due to equipment or all trunks busy condition within the local dialing area (including busy season-busy hour). (Objective: No more than 5%)
- 5) Percent of telephone calls offered to toll connecting or interexchange trunks encountering an all trunks busy condition. (Objective: No more than 3.0)
- 6) Average speed of answer time for operator assisted calls and calls requiring operator number identification. (Objective: Not to exceed 8 seconds)
- 7) Average speed of answering time for calls to repair service. (Objective: 20 seconds or less)
- 8) Percent of out-of-service troubles cleared within 24 hours unless the customer requests a later time. (Objective: 85%)
- 9) Average rate of customer trouble reports per 100 access lines. (Objective: 8 or less)

1 Based on the audit recommendations, the TRP retains two objectives that remain
2 relevant to the measurement of service quality. The TRP retains #1, "Percent of
3 requests for regular service fulfilled within five (5) working days unless applicant
4 specifically requests a later date", and #7, "Average speed of answering time for
5 calls to repair service."

6
7 As indicated above, the TRP retains a third objective that is modified from the
8 current requirements. This objective is #8, "Percent of out-of-service troubles
9 cleared within 24 hours unless the customer requests a later date."

10
11 The TRP eliminates the remaining six service objectives because
12 they no longer provide meaningful information due, primarily, to advances in
13 technology.

14
15 Q. WHAT IS THE BASIS FOR BELLSOUTH'S RECOMMENDATION THAT
16 CERTAIN SERVICE OBJECTIVES ARE NO LONGER RELEVANT?

17 A. Objective #2, "Percent of requests for regular regrades within thirty (30) days
18 unless applicant specifically requests a later date", has only been missed four
19 times since the beginning of 1994. Since party line service was obsoleted on
20 July 10, 1993, the Company can no longer have an applicant for a regrade. The
21 only regrades are those initiated by the Company to eliminate the few remaining
22 party lines in service.

23

1 Objective #3, "Percent of telephone calls receiving dial tone within three (3)
2 seconds", has not been missed at least since the beginning of 1990. Over that
3 time period, the lowest monthly result was 99.5%. The objective is 95%.

4
5 Objective #4, "Percent of telephone calls experiencing blockage due to an
6 equipment or all trunks busy condition within the local dialing area", has likewise
7 not been missed at least since the beginning of 1990. In only one month over that
8 period did a monthly result exceed 0.7% (1.3% in January 1994). The objective is
9 no more than 5.0%.

10
11 Objective #5, "Percent of telephone calls offered to toll connecting or
12 interexchange trunks encountering an all trunks busy condition", has also never
13 been missed since at least the beginning of 1990. The only monthly results to
14 exceed 2.0% over that period were 2.6% in June 1993 and 2.55% in
15 December 1993. The objective is no more than 3.0%.

16
17 Objective #6, "Average speed of answer time for operator assisted calls and calls
18 requiring operator number identification," has not been missed at least since the
19 beginning of 1990. The monthly result for this objective was seven seconds or
20 more only seven times during that period. The objective is no more than eight
21 seconds.

22
23 Objective #9, "Average rate of customer trouble reports per 100 access lines", has

1 likewise never been missed at least since the beginning of 1990. Only three times
2 over that period did a monthly result exceed four. The objective is eight or less.

3

4 Q. PLEASE DESCRIBE THE PURPOSE OF THE SETTLEMENT AGREEMENT
5 ATTACHED AS FLG-2.

6 A. In the process of refining the PRP, the Company evaluated all stakeholders,
7 including the consumers, interexchange carriers and CLECs. Through this
8 process, the Company developed elements in the plan to satisfy their needs in the
9 current environment. To ensure that these priorities had been properly
10 recognized, the Company met with each party to this case separately. The
11 settlement agreement signed by BellSouth, AT&T and Sprint provides the
12 Commission and the parties with additional detail regarding the broadband
13 commitments included in the TRP, as well as the rebalance proposal. It includes
14 additional commitments with regard to deaveraged UNE prices as discussed
15 above, and specific dates to accomplish the access rate reductions included in the
16 CALLS proposal. Ideally, all parties in the case would have signed on to the
17 Settlement Agreement, nevertheless BellSouth believes that it has offered a well-
18 balanced plan that meets the needs of the stakeholders identified above, meets the
19 Commission's objectives as laid out in the PRP, and responds to the
20 recommendations of the Commission's Auditor.

21

22

23

1 Q. PLEASE SUMMARIZE YOUR TESTIMONY.

2 A. The last two years have included an intensive Commission-ordered audit review
3 of the current price regulation plan, and discussions with parties to this case,
4 which have resulted in a revised plan that BellSouth believes will further the
5 transition of regulation to a fully competitive marketplace. The TRP is pro-
6 competitive, and provides pricing protection for those customers with limited
7 alternatives. The plan encompasses the recommendations of the audit, as well as
8 meets the Commission objectives to move Kentucky forward in the competitive
9 arena. In summary, the plan accomplishes the following:

- 10 1) Progressively captures the benefits of BellSouth's productivity gains
11 above the industry's through channeling those gains into BellSouth
12 broadband infrastructure deployment commitments and expanded
13 economic development initiatives.
- 14 2) Reduces intrastate switched access charges to the CALLS proposal levels.
- 15 3) Eliminates the need for a separate line item USF surcharge for BellSouth
16 USF requirements. In its place, a gradual rebalance of rates is
17 established. BellSouth agrees to forgo drawing funds from an intrastate
18 universal service fund at this time.
- 19 4) Resolves UNE rate issues and establishes a plan that meets the
20 Commission ordered time frame for establishing permanent rates through
21 a generic UNE cost docket.

22

1 I ask the Commission to approve the TRP because it is appropriate to refine the
2 current price regulation plan now to deploy the broadband capabilities as soon as
3 possible throughout the state. The rapidly changing telecommunications
4 environment, and the resolution of many of the regulatory framework issues in the
5 local competitive environment, ensures that retail services are subject to
6 competition and will continue to be in the future. The Commission's independent
7 audit of BellSouth has shown that the Company has performed as envisioned
8 under its regulatory plans, that the Company continues to be a good corporate
9 citizen of the Commonwealth, and that it can be counted on to deliver all the
10 benefits that have been outlined in this proposal.

11

12 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

13 A. Yes, it does.

14

Attachment FLG-1

Transition Regulation Plan:
Components Responsive to Audit Recommendations

Transition Regulation Plan: Components Responsive to Audit Recommendations

Commision Objective:	Audit Recommendation:	Transition Regulation Plan:
1 Shield basic ratepayers	- VII-R2: Rebalance rates	- Gradual revenue neutral rate rebalance, then after two years capped at rate of inflation - USF absorption
2 High quality service	- IV-R2: Revise standards	- Reduce number of objectives - Adopt federal SQMs
3 Maximize regulatory efficiency	- V-R3: Reclassify from non-competitive category to competitive category	- Change category structure - Change definition of competitive
4 Incentives for investment in new technologies	- III-R2: More open dialogue - V-R1: Eliminate TFP index - V-R2: Change pricing formula to increases capped at rate of inflation - V-R4: Allow presumptive validity	- Focus on rural broadband - Eliminate productivity index - New service categories - Economic development tariff - Add presumptive validity
5 Flexibility for Company	- IV-R2: Revise standards - V-R1: Eliminate TFP index - V-R2: Change pricing formula to increases capped at rate of inflation - V-R4: Allow presumptive validity	- Reduce number of objectives - Eliminate productivity index - New service categories - Adopt federal SQMs - Add presumptive validity
6 Move rates to cost or market price (RECOMMENDED)	- V-R1: Eliminate TFP index - V-R2: Change pricing formula to increases capped at rate of inflation - V-R5: Maintain current, add two new objectives - VII-R2: Rebalance rates	- Eliminate productivity index - Gradual revenue neutral rate rebalance, then after two years capped at rate of inflation - USF absorption - Add two new objectives for total of seven
7 Ensure plan does not hinder competition (RECOMMENDED)	- V-R1: Eliminate TFP index - V-R2: Change pricing formula to increases capped at rate of inflation - V-R5: Maintain current, add two new objectives - VII-R2: Rebalance rates	- Gradual revenue neutral rate rebalance, then after two years capped at rate of inflation - USF absorption - Deaveraged UNEs - Add two new objectives for total of seven - Eliminate productivity index - Adopt federal SQMs

Attachment FLG-2

Transition Regulation Plan:
Settlement Agreement and Price-out



BellSouth Telecommunications, Inc.
P.O. Box 32410
Louisville, KY 40232

or
BellSouth Telecommunications, Inc.
Room 407
601 West Chestnut Street
Louisville, KY 40203

Creighton.Mershon@BellSouth.com

Creighton E. Mershon, Sr.
General Counsel-Kentucky

502 582-8219
Fax 502 582-1573

May 3, 2000

Mr. Martin J. Huelsmann, Jr.
Executive Director
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602

Re: Review of BellSouth Telecommunications, Inc.'s Price
Regulation Plan
PSC 99-434

Dear Mr. Huelsmann:

Enclosed for filing in the above-captioned case are the
original and ten (10) copies of the Settlement Proposal of the
Parties, BellSouth, AT&T, and Sprint.

Sincerely,

Creighton E. Mershon, Sr.

Enclosure

cc: Parties of Record

211253

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

REVIEW OF BELLSOUTH)
TELECOMMUNICATIONS, INC.'S) PSC 99-434
PRICE REGULATION PLAN)

SETTLEMENT PROPOSAL OF THE PARTIES

Come now the parties to this case including BellSouth, AT&T, and Sprint to propose to the Commission the following settlement to support BellSouth's proposed Transition Regulation Plan. The Transition Regulation Plan will be in place with no term limit, subject to the Kentucky Public Service Commission's Complaint and other Administrative Procedures.

This agreement reflects the changes to BellSouth's current price regulation plan based on the findings and recommendations of the Commission's Auditor, Vantage Consulting. In addition, it resolves several important competitive issues and accomplishes important regulatory objectives, including the following:

1. Captures the benefits of BellSouth's productivity gains above the industry's in a progressive manner through channeling those gains into BellSouth broadband infrastructure deployment commitments and expanded economic development initiatives.
2. Reduces intrastate switched access charges to \$.0055; equal to the rates included in the now pending CALLS proposal in the Federal jurisdiction.

3. Eliminates the need for a separate line item charge for intrastate universal service funding. In its place, the parties agree to a gradual rebalance of rates over two years. BellSouth agrees to forego drawing funds from an intrastate universal service fund set up by the Commission.
4. Temporarily resolves UNE rate issues, and establishes a plan for setting permanent rates for UNEs included in the FCC 319 Order, as well as any arbitration rate issues through the establishment of a generic UNE cost docket, Administrative Case 382.

Settlement Proposals:

- A. Establish a more positive framework for capturing BellSouth productivity improvements over the industry benchmark.
 1. Broadband deployment and economic development initiatives:
 - a) Broadband deployment to core cities in approximately 40% of the BellSouth served counties listed in the Kentucky Rural Economic Development Act (KREDA) as consistently suffering above average unemployment.
 - b) Working with Kentucky economic development agencies on promoting jobs in these counties.
 - c) Broadband deployment to BellSouth exchanges representing approximately 90% of the BellSouth cities that are a part of the Kentucky Community and Technical College System.
 2. Specifically, this would be accomplished according to proposed plans through the following infrastructure implementation:

- a) Current Louisville Metro Base Plan has 39% of Kentucky access lines in broadband capable offices.
- b) Move beyond Louisville Metro base plan by 12/31/2000 bringing Kentucky access lines in broadband capable central offices to 58%.
- c) Additional deployment by 12/31/2001 bringing Kentucky access lines in broadband capable central offices to 68%.
- d) Additional deployment by 12/31/2002 bringing the total number of Kentucky access lines in broadband capable central offices to 75%.

3. File Economic Zone Discount Tariff

B. Rate Rebalance

1. Switched Access Charge will be reduced to .0055 per end. Timing of this change will be affected by the Commission's approval of the TRP. If the PSC approves the TRP, BellSouth will adjust access charges per the attached priceout. If the current plan continues, access rates will be the proposed target for any rate reduction required in an annual filing. If the PSC rejects the TRP and continues to allow deviation from specific plan rules¹, the rate for one end of switched access under the settlement would reach the following targets by no later than the proposed dates:

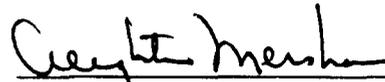
- a) .008 by 12/31/2001
- b) .0055 by 12/31/2002

¹ The KPSC has in the past allowed annual filing reductions in the Price Regulation Plan to be applied to the NTSRR in lieu of required reductions to the non-competitive category.

2. Business Reductions as necessary to meet the rate rebalance requirements for the two years.
 3. Limited price increases for residential rates (no more than 10% each of the next two years) for rebalance and limited by inflation beyond the first two years.
- C. BellSouth waives its share of funding from the intrastate USF and will only require a line item if BellSouth customers are required to pay for other GTE and Cincinnati Bell High Cost USF areas.
- D. Permanent deaveraged rates for unbundled network elements will be determined in Administrative Case No. 382, with BellSouth filing cost studies for all UNES by July 31, 2000.
- E. On an interim basis, BellSouth will provide new deaveraged UNE rates that are lower than those filed in the Stipulation from Administrative Case 382.

This settlement agreement applies in total and will be deemed null and void if not accepted in total by the Commission. The parties to this settlement reserve the right to defend the specific elements of this agreement as required by their respective companies should this agreement not be accepted and approved as signed.

Respectfully submitted,



Creighton E. Mershon, Sr.
General Counsel-Kentucky
601 W. Chestnut Street, Room 407
P. O. Box 32410
Louisville, KY 40232
Telephone No. (502) 582-8219

R. Douglas Lackey
Bennett L. Ross
A. Langley Kitchings
Suite 4300, BellSouth Center
675 W. Peachtree Street, N.E.
Atlanta, GA 30375
Telephone No. (404) 335-0750

COUNSEL FOR BELL SOUTH
TELECOMMUNICATIONS, INC.

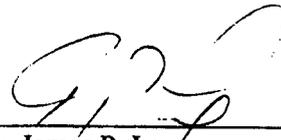
205341

SIGNED THIS 3rd DAY OF May, 2000

Creighton Mershon

Creighton E. Mershon, Sr.
BellSouth Telecommunications, Inc.
601 W. Chestnut Street, Room 407
P. O. Box 32410
Louisville, KY 40232

SIGNED THIS 2nd DAY OF MAY, 2000



Hon. James P. Lamoureux
AT&T Communications of the
South Central States, Inc.
Promenade I, Room 8068
1200 Peachtree Street, N.E.
Atlanta, GA 30309

SIGNED THIS 2nd DAY OF May, 2000

William R. Atkinson

William R. Atkinson
Sprint Communications Co., L.P.
3100 Cumberland Circle
Mailstop: GAATLN0802
Atlanta, GA 30339

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served on the individuals on the attached Service List by mailing a copy thereof, this 3rd day of May 2000.



Creighton E. Mershon, Sr.

SERVICE LIST - PSC 99-434

Hon. Ann Cheuvront
Assistant Attorney General
1024 Capital Center Drive
Frankfort, KY. 40601 8204

Hon. James Lamoureux
AT&T COMMUNICATIONS
1200 Peachtree Street, NE
Atlanta, GA. 30309

Hon. C. Kent Hatfield
Hon. John M. Franck
Middleton & Reutlinger
2500 Brown & Williamson Tower
Louisville, KY. 40202

Hon. Susan Berlin
MCI Telecommunications Corp.
6 Concourse Parkway, Suite 3200
Atlanta, GA. 30328

William Atkinson, Esq.
Sprint Communications Co., L.P.
3100 Cumberland Circle
Atlanta, GA. 30339

Hon. John N. Hughes
Attorney at Law
124 W. Todd St.
Frankfort, KY. 40601

DeMara Madison
Regulatory Compliance
Coordinator
Cable & Wireless USA, Inc.
8219 Leesburg Pike
Vienna, VA. 22182

Carl Jackson
Sr. Director, Gov't & Ext.
Affairs
ICG Telecom Group, Inc.
50 Glanlake Parkway # 500
Atlanta, GA. 30328

Larry Barnes
Director of Regulatory Affairs
IXC Communications Svcs., Inc.
1122 Capital of Texas Hwy. South
Austin, TX. 78746

Kim Logue
Regulatory Analyst
LCI International Telecom Corp.
4250 N. Fairfax Drive
Arlington, VA. 22230 2220

Darrell Maynard
President
Southeast Telephone, LTD
106 Power Drive
Pikeville, KY. 41502 4150

Kristi Shaw
Regulatory Analyst
Teltrust Communications Services
6322 South 3000 East
Salt Lake City, UT. 84121

Walter P. Drabinski
President
Vantage Consulting, Inc.
230 Sugartown Road, Suite 110
Wayne, PA. 19087

Mr. Larry Callison
GTE
150 Rojay Drive
Lexington, KY 40503

Kentucky Rebalancing Proposal
Summary of Rate Changes

RESIDENTIAL						YEAR 1				YEAR 2
Service	Rate Group	Present Rate	Proposed Rate	\$ Change	% Change	Annual Revenue Change	Proposed Rate	\$ Change	% Change	Annual Revenue Change
1FR	1	\$12.17	\$13.40	\$1.23	10.1%	\$2,612,889	\$14.75	\$1.35	10.1%	\$2,867,805
	2	\$13.02	\$14.30	\$1.28	9.8%	\$1,311,636	\$15.75	\$1.45	10.1%	\$1,485,838
	3	\$13.69	\$15.05	\$1.36	9.9%	\$2,252,552	\$16.50	\$1.45	9.6%	\$2,401,618
	4	\$14.34	\$15.75	\$1.41	9.8%	\$115,631	\$17.30	\$1.55	9.8%	\$127,112
	5	\$17.55	\$18.40	\$0.85	4.8%	\$2,502,805	\$18.50	\$0.00	0.0%	\$0
	Exception	\$14.50	\$15.95	\$1.45	10.0%	<u>\$173,809</u>	\$17.55	\$1.60	10.0%	<u>\$191,189</u>
Subtotal						\$8,969,322				\$7,073,563
2FR	1	\$9.38	\$10.32	\$0.94	10.0%	\$29,772	\$11.35	\$1.03	10.0%	\$32,749
	2	\$10.02	\$11.02	\$1.00	10.0%	\$2,333	\$12.12	\$1.10	10.0%	\$2,566
	3	\$10.52	\$11.57	\$1.05	10.0%	\$417	\$12.73	\$1.16	10.0%	\$458
	4	\$11.01	\$12.11	\$1.10	10.0%	\$13	\$13.32	\$1.21	10.0%	\$15
	5									
	Exception	\$11.13	\$12.24	\$1.11	10.0%	<u>\$240</u>	\$13.47	\$1.22	10.0%	<u>\$264</u>
Subtotal						\$32,775				\$36,053
Standard Measured	1	\$9.38	\$10.32	\$0.94	10.0%	\$5,797	\$11.35	\$1.03	10.0%	\$6,377
	2	\$10.02	\$11.02	\$1.00	10.0%	\$7,118	\$12.12	\$1.10	10.0%	\$7,830
	3	\$10.52	\$11.57	\$1.05	10.0%	\$23,367	\$12.73	\$1.16	10.0%	\$25,704
	4	\$11.01	\$12.11	\$1.10	10.0%	\$225	\$13.32	\$1.21	10.0%	\$247
	5	\$13.41	\$14.75	\$1.34	10.0%	\$56,869	\$16.23	\$1.48	10.0%	\$62,556
	Exception					<u>\$0</u>				<u>\$1</u>
Subtotal						\$93,376				\$102,714
Low Usage Measured	1	\$6.59	\$7.25	\$0.66	10.0%	\$1,953	\$7.97	\$0.72	10.0%	\$2,149
	2	\$7.01	\$7.71	\$0.70	10.0%	\$1,632	\$8.48	\$0.77	10.0%	\$1,795
	3	\$7.34	\$8.07	\$0.73	10.0%	\$5,373	\$8.88	\$0.81	10.0%	\$5,910
	4	\$7.67	\$8.44	\$0.77	10.0%	\$83	\$9.28	\$0.84	10.0%	\$91
	5	\$9.27	\$10.20	\$0.93	10.0%	\$19,078	\$11.22	\$1.02	10.0%	\$20,985
	Exception					<u>\$0</u>				<u>\$1</u>
Subtotal						\$28,119				\$30,931
Plan Line	1	\$9.00	\$9.90	\$0.90	10.0%	\$222,491	\$10.89	\$0.99	10.0%	\$244,740
	2	\$9.00	\$9.90	\$0.90	10.0%	\$47,466	\$10.89	\$0.99	10.0%	\$52,213
	3	\$9.00	\$9.90	\$0.90	10.0%	\$52,304	\$10.89	\$0.99	10.0%	\$57,535
	4	\$9.00	\$9.90	\$0.90	10.0%	\$0	\$10.89	\$0.99	10.0%	\$0
	5	\$10.50	\$11.50	\$1.00	9.5%	\$57,852	\$11.50	\$0.00	0.0%	\$0
	Exception	\$9.00	\$9.90	\$0.90	10.0%	<u>\$421</u>	\$10.89	\$0.99	10.0%	<u>\$463</u>
Subtotal						\$380,534				\$354,951
Plan Line w/ LUD	1	\$10.00	\$11.00	\$1.00	10.0%	\$4,776	\$12.10	\$1.10	10.0%	\$5,254
	2	\$10.00	\$11.00	\$1.00	10.0%	\$1,248	\$12.10	\$1.10	10.0%	\$1,373
	3	\$10.00	\$11.00	\$1.00	10.0%	\$1,104	\$12.10	\$1.10	10.0%	\$1,214
	4	\$10.00	\$11.00	\$1.00	10.0%	\$0	\$12.10	\$1.10	10.0%	\$0
	5	\$11.50	\$12.50	\$1.00	8.7%	\$5,640	\$12.50	\$0.00	0.0%	\$0
	Exception	\$10.00	\$11.00	\$1.00	10.0%	<u>\$36</u>	\$12.10	\$1.10	10.0%	<u>\$40</u>
Subtotal						\$12,804				\$7,880
Premium Plan Line	All	\$20.00	\$22.00	\$2.00	10.0%	<u>\$709,704</u>	\$22.00	\$0.00	0.0%	<u>\$0</u>
Subtotal						\$709,704				\$0
Subtotal Lines						\$10,226,633				\$7,606,090
Consumer Verticals, DA, etc.						\$3,989,523				\$2,128,791
Total Residential						\$14,216,156				\$9,734,881

Summary

BUSINESS							YEAR 1				YEAR 2
Service	Rate Group	Present Rate	Proposed Rate	\$ Change	% Change	Annual Revenue Change	Proposed Rate	\$ Change	% Change	Annual Revenue Change	
1FB	1	\$32.00	\$34.00	\$2.00	6.3%	\$1,032,216	\$34.00	\$0.00	0.0%	\$0	
	2	\$32.90	\$34.00	\$1.10	3.3%	\$307,930	\$34.00	\$0.00	0.0%	\$0	
	3	\$32.90	\$34.00	\$1.10	3.3%	\$571,943	\$34.00	\$0.00	0.0%	\$0	
	4	\$32.90	\$32.90	\$0.00	0.0%	\$0	\$32.90	\$0.00	0.0%	\$0	
	5	\$32.90	\$32.90	\$0.00	0.0%	\$0	\$31.50	(\$1.40)	-4.3%	(\$1,217,378)	
	Exception	\$32.90	\$32.90	\$0.00	0.0%	\$0	\$32.00	(\$0.90)	-2.7%	(\$29,311)	
Subtotal							\$1,912,088				(\$1,246,690)
Standard Measured	1	\$23.17	\$25.25	\$2.08	9.0%	\$5,341	\$27.78	\$2.53	10.0%	\$6,484	
	2	\$25.52	\$28.00	\$2.48	9.7%	\$7,589	\$28.00	\$0.00	0.0%	\$0	
	3	\$27.52	\$30.00	\$2.48	9.0%	\$15,475	\$30.00	\$0.00	0.0%	\$0	
	4	\$29.46	\$32.00	\$2.54	8.6%	\$701	\$32.00	\$0.00	0.0%	\$0	
	5	\$35.82	\$37.00	\$1.18	3.3%	\$5,664	\$37.00	\$0.00	0.0%	\$0	
	Exception					\$0				\$1	
Subtotal							\$34,770				\$6,485
Back-Up Line	1	\$16.00	\$17.00	\$1.00	6.3%	\$8,508	\$17.00	\$0.00	0.0%	\$0	
	2	\$16.45	\$17.00	\$0.55	3.3%	\$2,812	\$17.00	\$0.00	0.0%	\$0	
	3	\$16.45	\$17.00	\$0.55	3.3%	\$4,000	\$17.00	\$0.00	0.0%	\$0	
	4	\$16.45	\$16.45	\$0.00	0.0%	\$0	\$16.45	\$0.00	0.0%	\$0	
	5	\$16.45	\$16.45	\$0.00	0.0%	\$0	\$15.75	(\$0.70)	-4.3%	(\$10,416)	
	Exception	\$16.45	\$16.45	\$0.00	0.0%	\$0	\$16.00	(\$0.45)	-2.7%	(\$157)	
Subtotal							\$15,319				(\$10,573)
Plan Line	1	\$29.70	\$32.00	\$2.30	7.7%	\$70,435	\$32.00	\$0.00	0.0%	\$0	
	2	\$29.70	\$32.00	\$2.30	7.7%	\$26,662	\$32.00	\$0.00	0.0%	\$0	
	3	\$29.70	\$32.00	\$2.30	7.7%	\$27,628	\$32.00	\$0.00	0.0%	\$0	
	4										
	5	\$33.00	\$35.00	\$2.00	6.1%	\$147,048	\$35.00	\$0.00	0.0%	\$0	
	Exception	\$29.70	\$32.00	\$2.30	7.7%	\$745	\$32.00	\$0.00	0.0%	\$0	
Subtotal							\$272,518				\$0
Plan Line w/LUD	1	\$32.70	\$35.00	\$2.30	7.0%	\$2,291	\$35.00	\$0.00	0.0%	\$0	
	2	\$32.70	\$35.00	\$2.30	7.0%	\$1,049	\$35.00	\$0.00	0.0%	\$0	
	3	\$32.70	\$35.00	\$2.30	7.0%	\$442	\$35.00	\$0.00	0.0%	\$0	
	4										
	5	\$36.00	\$38.00	\$2.00	5.6%	\$1,680	\$34.00	(\$4.00)	-10.5%	(\$3,360)	
	Exception					\$0				\$1	
Subtotal							\$5,461				(\$3,360)
PBX-Flat	1	\$32.00	\$34.00	\$2.00	6.3%	\$71,544	\$34.00	\$0.00	0.0%	\$0	
	2	\$32.90	\$34.00	\$1.10	3.3%	\$32,855	\$34.00	\$0.00	0.0%	\$0	
	3	\$32.90	\$34.00	\$1.10	3.3%	\$73,418	\$34.00	\$0.00	0.0%	\$0	
	4	\$32.90	\$32.90	\$0.00	0.0%	\$0	\$32.90	\$0.00	0.0%	\$0	
	5	\$32.90	\$32.90	\$0.00	0.0%	\$0	\$31.50	(\$1.40)	-4.3%	(\$216,619)	
	Exception	\$32.90	\$32.90	\$0.00	0.0%	\$0	\$32.00	(\$0.90)	-2.7%	(\$3,499)	
Subtotal							\$177,817				(\$220,118)
Hunting	1	\$12.00	\$12.00	\$0.00	0.0%	\$0	\$12.00	\$0.00	0.0%	\$0	
	2	\$11.25	\$11.25	\$0.00	0.0%	\$0	\$11.25	\$0.00	0.0%	\$0	
	3	\$10.50	\$10.50	\$0.00	0.0%	\$0	\$10.50	\$0.00	0.0%	\$0	
	4	\$10.00	\$10.00	\$0.00	0.0%	\$0	\$10.00	\$0.00	0.0%	\$0	
	5	\$5.70	\$5.70	\$0.00	0.0%	\$0	\$5.70	\$0.00	0.0%	\$0	
	Exception	\$10.00	\$10.00	\$0.00	0.0%	\$0	\$10.00	\$0.00	0.0%	\$0	
Subtotal							\$0				\$0
Touch Tone	Bus	\$3.00	\$3.00	\$0.00	0.0%	\$0	\$0.00	(\$3.00)	-100.0%	(\$8,280,000)	
Subtotal							\$0				(\$8,280,000)
Total Business						\$2,417,974				(\$9,754,256)	
ACCESS											
NTSRRR	ALL					(\$14,200,000)					\$0
Access						(\$2,400,000)					\$0
Total Access						(\$16,600,000)				\$0	
TOTAL											
Residential						\$14,216,156					\$9,734,881
Business						\$2,417,974					(\$9,754,256)
Access						(\$16,600,000)					\$0
Other						\$0					\$0
Total Revenue Change						\$34,130				(\$19,375)	

Kentucky Rebalancing Proposal
Summary of Rate Changes

RESIDENTIAL							
<u>Service</u>	<u>Rate Group</u>	<u>Present Rate</u>	<u>Proposed Rate</u>	<u>\$ Change</u>	<u>% Change</u>	<u>Annual Revenue Change</u>	
1FR	1	\$12.17	\$13.40	\$1.23	10.11%	177,025	\$2,612,889
	2	\$13.02	\$14.30	\$1.28	9.83%	85,393	\$1,311,636
	3	\$13.69	\$15.05	\$1.36	9.93%	138,024	\$2,252,552
	4	\$14.34	\$15.75	\$1.41	9.83%	6,834	\$115,631
	5	\$17.55	\$18.40	\$0.85	4.84%	245,373	\$2,502,805
	Exception	\$14.50	\$15.95	\$1.45	10.00%	9,989	<u>\$173,809</u>
Subtotal			\$15.77				\$8,969,322
2FR	1	\$9.38	\$10.32	\$0.94	10.00%	2,645	\$29,772
	2	\$10.02	\$11.02	\$1.00	10.00%	194	\$2,333
	3	\$10.52	\$11.57	\$1.05	10.00%	33	\$417
	4	\$11.01	\$12.11	\$1.10	10.00%	1	\$13
	5						
	Exception	\$11.13	\$12.24	\$1.11	10.00%	18	<u>\$240</u>
Subtotal							\$32,775
Standard Measured	1	\$9.38	\$10.32	\$0.94	10.00%	515	\$5,797
	2	\$10.02	\$11.02	\$1.00	10.00%	592	\$7,118
	3	\$10.52	\$11.57	\$1.05	10.00%	1,851	\$23,367
	4	\$11.01	\$12.11	\$1.10	10.00%	17	\$225
	5	\$13.41	\$14.75	\$1.34	10.00%	3,534	\$56,869
	Exception						<u>\$0</u>
Subtotal							\$93,376
Low Usage Measured	1	\$6.59	\$7.25	\$0.66	10.00%	247	\$1,953
	2	\$7.01	\$7.71	\$0.70	10.00%	194	\$1,632
	3	\$7.34	\$8.07	\$0.73	10.00%	610	\$5,373
	4	\$7.67	\$8.44	\$0.77	10.00%	9	\$83
	5	\$9.27	\$10.20	\$0.93	10.00%	1,715	\$19,078
	Exception						<u>\$0</u>
Subtotal							\$28,119
Plan Line	1	\$9.00	\$9.90	\$0.90	10.00%	20601	\$222,491
	2	\$9.00	\$9.90	\$0.90	10.00%	4395	\$47,466
	3	\$9.00	\$9.90	\$0.90	10.00%	4843	\$52,304
	4	\$9.00	\$9.90	\$0.90	10.00%	0	\$0
	5	\$10.50	\$11.50	\$1.00	9.52%	4821	\$57,852
	Exception	\$9.00	\$9.90	\$0.90	10.00%	39	<u>\$421</u>
Subtotal							\$380,534
Plan Line w/ LUD	1	\$10.00	\$11.00	\$1.00	10.00%	398	\$4,776
	2	\$10.00	\$11.00	\$1.00	10.00%	104	\$1,248
	3	\$10.00	\$11.00	\$1.00	10.00%	92	\$1,104
	4	\$10.00	\$11.00	\$1.00	10.00%	0	\$0
	5	\$11.50	\$12.50	\$1.00	8.70%	470	\$5,640
	Exception	\$10.00	\$11.00	\$1.00	10.00%	3	<u>\$36</u>
Subtotal							\$12,804
Premium Plan Line	All	\$20.00	\$22.00	\$2.00	10.00%	29,571	<u>\$709,704</u>
Subtotal							\$709,704
Subtotal Lines						\$10,226,633	
Consumer Verticals, DA, etc.						\$3,989,523	
Total Residential						\$14,216,156	

BUSINESS		Present	Proposed	\$	%		Annual
Service	Rate Group	Rate	Rate	Change	Change		Revenue
							Change
1FB	1	\$32.00	\$34.00	\$2.00	6.25%	43,009	\$1,032,216
	2	\$32.90	\$34.00	\$1.10	3.34%	23,328	\$307,930
	3	\$32.90	\$34.00	\$1.10	3.34%	43,329	\$571,943
	4	\$32.90	\$32.90	\$0.00	0.00%	1,421	\$0
	5	\$32.90	\$32.90	\$0.00	0.00%	72,463	\$0
	Exception	\$32.90	\$32.90	\$0.00	0.00%	2,714	\$0
Subtotal						186,264	\$1,912,088
Standard Measured	1	\$23.17	\$25.25	\$2.08	8.98%	214	\$5,341
	2	\$25.52	\$28.00	\$2.48	9.72%	255	\$7,589
	3	\$27.52	\$30.00	\$2.48	9.01%	520	\$15,475
	4	\$29.46	\$32.00	\$2.54	8.62%	23	\$701
	5	\$35.82	\$37.00	\$1.18	3.29%	400	\$5,664
	Exception						\$0
Subtotal							\$34,770
Back-Up Line	1	\$16.00	\$17.00	\$1.00	6.25%	709	\$8,508
	2	\$16.45	\$17.00	\$0.55	3.34%	426	\$2,812
	3	\$16.45	\$17.00	\$0.55	3.34%	606	\$4,000
	4	\$16.45	\$16.45	\$0.00	0.00%	30	\$0
	5	\$16.45	\$16.45	\$0.00	0.00%	1,240	\$0
	Exception	\$16.45	\$16.45	\$0.00	0.00%	29	\$0
Subtotal							\$15,319
Plan Line	1	\$29.70	\$32.00	\$2.30	7.74%	2,552	\$70,435
	2	\$29.70	\$32.00	\$2.30	7.74%	966	\$26,662
	3	\$29.70	\$32.00	\$2.30	7.74%	1,001	\$27,628
	4						
	5	\$33.00	\$35.00	\$2.00	6.06%	6,127	\$147,048
	Exception	\$29.70	\$32.00	\$2.30	7.74%	27	\$745
Subtotal							\$272,518
Plan Line w/LUD	1	\$32.70	\$35.00	\$2.30	7.03%	83	\$2,291
	2	\$32.70	\$35.00	\$2.30	7.03%	38	\$1,049
	3	\$32.70	\$35.00	\$2.30	7.03%	16	\$442
	4						
	5	\$36.00	\$38.00	\$2.00	5.56%	70	\$1,680
	Exception						\$0
Subtotal							\$5,461
PBX-Flat	1	\$32.00	\$34.00	\$2.00	6.25%	2,981	\$71,544
	2	\$32.90	\$34.00	\$1.10	3.34%	2,489	\$32,855
	3	\$32.90	\$34.00	\$1.10	3.34%	5,562	\$73,418
	4	\$32.90	\$32.90	\$0.00	0.00%	128	\$0
	5	\$32.90	\$32.90	\$0.00	0.00%	12,894	\$0
	Exception	\$32.90	\$32.90	\$0.00	0.00%	324	\$0
Subtotal							\$177,817
Hunting	1	\$12.00	\$12.00	\$0.00	0.00%	17,273	\$0
	2	\$11.25	\$11.25	\$0.00	0.00%	12,035	\$0
	3	\$10.50	\$10.50	\$0.00	0.00%	23,172	\$0
	4	\$10.00	\$10.00	\$0.00	0.00%	1,078	\$0
	5	\$5.70	\$5.70	\$0.00	0.00%	52,145	\$0
	Exception	\$10.00	\$10.00	\$0.00	0.00%	1,315	\$0
Subtotal							\$0
Touch Tone	Bus	\$3.00	\$3.00	\$0.00	0.00%	230,000	\$0
Subtotal							\$0
Total Business							\$2,417,974
ACCESS							
NTSRRR	ALL			\$14,200,000	\$0		(\$14,200,000)
Switched MOU				\$2,400,000			(\$2,400,000)
Total Access							(\$16,600,000)
TOTAL							
Residential							\$14,216,156
Business							\$2,417,974
Access							(\$16,600,000)
Other							\$0
Total Revenue Change							\$34,130

BUSINESS

Service	Rate Group	Present	Proposed	\$	%		Present	Proposed	Annual
		Rate	Rate	Change	Change		Annual Revenue	Annual Revenue	Revenue Change
1FB	1	\$34.00	\$34.00	\$0.00	0.00%	43,009	\$17,547,672	\$17,547,672	\$0
	2	\$34.00	\$34.00	\$0.00	0.00%	23,328	\$9,517,824	\$9,517,824	\$0
	3	\$34.00	\$34.00	\$0.00	0.00%	43,329	\$17,678,232	\$17,678,232	\$0
	4	\$32.90	\$32.90	\$0.00	0.00%	1,421	\$561,011	\$561,011	\$0
	5	\$32.90	\$31.50	(\$1.40)	-4.26%	72,463	\$28,608,392	\$27,391,014	(\$1,217,378)
	Exception	\$32.90	\$32.00	(\$0.90)	-2.74%	2,714	\$1,071,487	\$1,042,176	(\$29,311)
Subtotal						186,264			(\$1,246,690)
Standard Measured	1	\$25.25	\$27.78	\$2.53	10.00%	214	\$64,842	\$71,326	\$6,484
	2	\$28.00	\$28.00	\$0.00	0.00%	255	\$85,680	\$85,680	\$0
	3	\$30.00	\$30.00	\$0.00	0.00%	520	\$187,200	\$187,200	\$0
	4	\$32.00	\$32.00	\$0.00	0.00%	23	\$8,832	\$8,832	\$0
	5	\$37.00	\$37.00	\$0.00	0.00%	400	\$177,600	\$177,600	\$0
	Exception								\$0
Subtotal									\$6,484
Back-Up Line	1	\$17.00	\$17.00	\$0.00	0.00%	709	\$144,636	\$144,636	\$0
	2	\$17.00	\$17.00	\$0.00	0.00%	426	\$86,904	\$86,904	\$0
	3	\$17.00	\$17.00	\$0.00	0.00%	606	\$123,624	\$123,624	\$0
	4	\$16.45	\$16.45	\$0.00	0.00%	30	\$5,922	\$5,922	\$0
	5	\$16.45	\$15.75	(\$0.70)	-4.26%	1,240	\$244,776	\$234,360	(\$10,416)
	Exception	\$16.45	\$16.00	(\$0.45)	-2.74%	29	\$5,725	\$5,568	(\$157)
Subtotal									(\$10,573)
Plan Line	1	\$32.00	\$32.00	\$0.00	0.00%	2,552	\$979,968	\$979,968	\$0
	2	\$32.00	\$32.00	\$0.00	0.00%	966	\$370,944	\$370,944	\$0
	3	\$32.00	\$32.00	\$0.00	0.00%	1,001	\$384,384	\$384,384	\$0
	4								
	5	\$35.00	\$35.00	\$0.00	0.00%	6,127	\$2,573,340	\$2,573,340	\$0
	Exception	\$32.00	\$32.00	\$0.00	0.00%	27	\$10,368	\$10,368	\$0
Subtotal									\$0
Plan Line w/LUD	1	\$35.00	\$35.00	\$0.00	0.00%	83	\$34,860	\$34,860	\$0
	2	\$35.00	\$35.00	\$0.00	0.00%	38	\$15,960	\$15,960	\$0
	3	\$35.00	\$35.00	\$0.00	0.00%	16	\$6,720	\$6,720	\$0
	4								
	5	\$38.00	\$34.00	(\$4.00)	-10.53%	70	\$31,920	\$28,560	(\$3,360)
	Exception								\$0
Subtotal									(\$3,360)
PBX-Flat	1	\$34.00	\$34.00	\$0.00	0.00%	2,981	\$1,216,248	\$1,216,248	\$0
	2	\$34.00	\$34.00	\$0.00	0.00%	2,489	\$1,015,512	\$1,015,512	\$0
	3	\$34.00	\$34.00	\$0.00	0.00%	5,562	\$2,269,296	\$2,269,296	\$0
	4	\$32.90	\$32.90	\$0.00	0.00%	128	\$50,534	\$50,534	\$0
	5	\$32.90	\$31.50	(\$1.40)	-4.26%	12,894	\$5,090,551	\$4,873,932	(\$216,619)
	Exception	\$32.90	\$32.00	(\$0.90)	-2.74%	324	\$127,915	\$124,416	(\$3,499)
Subtotal									(\$220,118)
Hunting	1	\$12.00	\$12.00	\$0.00	0.00%	17,273	\$2,487,312	\$2,487,312	\$0
	2	\$11.25	\$11.25	\$0.00	0.00%	12,035	\$1,624,725	\$1,624,725	\$0
	3	\$10.50	\$10.50	\$0.00	0.00%	23,172	\$2,919,672	\$2,919,672	\$0
	4	\$10.00	\$10.00	\$0.00	0.00%	1,078	\$129,360	\$129,360	\$0
	5	\$5.70	\$5.70	\$0.00	0.00%	52,145	\$3,566,718	\$3,566,718	\$0
	Exception	\$10.00	\$10.00	\$0.00	0.00%	1,315	\$157,800	\$157,800	\$0
Subtotal									\$0
Touch Tone	Bus	\$3.00	\$0.00	(\$3.00)	-100.00%	230,000	\$8,280,000	\$0	(\$8,280,000)
Subtotal									(\$8,280,000)
Total Business									(\$9,754,256)
ACCESS									
NTSRRR	ALL						\$0	\$0	\$0
Total Access									\$0
TOTAL									
Residential									\$9,734,881
Business									(\$9,754,256)
Access									\$0
Other									\$0
Total Revenue Change									(\$19,375)

YEAR 1

Service	Current				Proposed				Annual		
	Price	Proposed Price	Percent Increase	Target Price	Units	Proposed Units	Current Units	Proposed Units	Current Revenue	Proposed Revenue	Incremental Revenue
CON Call Waiting	\$ 3.65	\$ 4.00	9.6%	\$ 5.50	250,000	250,000	250,000	250,000	\$10,950,000	\$12,000,000	\$1,050,000
Three Way Calling	\$ 3.60	\$ 3.95	9.7%	\$ 5.00	8,000	8,000	8,000	8,000	\$ 345,600	\$ 379,200	\$ 33,600
Call Return	\$ 4.40	\$ 4.80	9.1%	\$ 5.00	35,000	35,000	35,000	35,000	\$ 1,848,000	\$ 2,016,000	\$ 168,000
Call Forward Variable	\$ 3.60	\$ 3.95	9.7%	\$ 4.00	7,500	7,500	7,500	7,500	\$ 324,000	\$ 355,500	\$ 31,500
Speed Call 8	\$ 3.60	\$ 3.95	9.7%	\$ 4.00	7,292	7,292	7,292	7,292	\$ 315,014	\$ 345,641	\$ 30,626
Call Return per use	\$ 0.75	\$ 0.80	6.7%	\$ 0.90	450,000	450,000	450,000	450,000	\$ 4,050,000	\$ 4,320,000	\$ 270,000
Repeat Dialing / Busy Connect per use	\$ 0.75	\$ 0.80	6.7%	\$ 0.90	35,000	35,000	35,000	35,000	\$ 315,000	\$ 336,000	\$ 21,000
Three Way per use	\$ 0.75	\$ 0.80	6.7%	\$ 0.90	55,000	55,000	55,000	55,000	\$ 495,000	\$ 528,000	\$ 33,000
Directory Assistance	\$ 0.33	\$ 0.36	9.1%	\$ 0.90	1,280,000	1,280,000	1,280,000	1,280,000	\$ 5,068,800	\$ 5,529,600	\$ 460,800
Verify	\$ 1.04	\$ 1.14	10.0%	\$ 5.00	3,882	3,882	3,882	3,882	\$ 48,447	\$ 53,292	\$ 4,845
Verify & Interrupt	\$ 1.54	\$ 1.69	10.0%	\$ 10.00	3,870	3,870	3,870	3,870	\$ 71,518	\$ 78,669	\$ 7,152
MTS	Eliminate Volume Discount										
									\$ (1,879,000)	\$ -	\$ 1,879,000
											\$ 3,989,523

YEAR 2

Service	Current				Proposed				Annual		
	Price	Proposed Price	Percent Increase	Target Price	Units	Proposed Units	Current Units	Proposed Units	Current Revenue	Proposed Revenue	Incremental Revenue
CON Call Waiting	\$ 4.00	\$ 4.40	10.0%	\$ 5.50	250,000	250,000	250,000	250,000	\$12,000,000	\$13,200,000	\$1,200,000
Three Way Calling	\$ 3.95	\$ 4.35	10.0%	\$ 5.00	8,000	8,000	8,000	8,000	\$ 379,200	\$ 417,120	\$ 37,920
Call Return	\$ 4.80	\$ 5.00	4.2%	\$ 5.00	35,000	35,000	35,000	35,000	\$ 2,016,000	\$ 2,100,000	\$ 84,000
Call Forward Variable	\$ 3.95	\$ 4.00	1.3%	\$ 4.00	7,500	7,500	7,500	7,500	\$ 355,500	\$ 360,000	\$ 4,500
Speed Call 8	\$ 3.95	\$ 4.00	1.3%	\$ 4.00	7,292	7,292	7,292	7,292	\$ 345,641	\$ 350,016	\$ 4,375
Call Return per use	\$ 0.80	\$ 0.85	6.3%	\$ 0.90	450,000	450,000	450,000	450,000	\$ 4,320,000	\$ 4,590,000	\$ 270,000
Repeat Dialing / Busy Connect per use	\$ 0.80	\$ 0.85	6.3%	\$ 0.90	35,000	35,000	35,000	35,000	\$ 336,000	\$ 357,000	\$ 21,000
Three Way per use	\$ 0.80	\$ 0.85	6.3%	\$ 0.90	55,000	55,000	55,000	55,000	\$ 528,000	\$ 561,000	\$ 33,000
Directory Assistance	\$ 0.36	\$ 0.39	8.3%	\$ 0.90	1,280,000	1,280,000	1,280,000	1,280,000	\$ 5,529,600	\$ 5,990,400	\$ 460,800
Verify	\$ 1.14	\$ 1.26	10.0%	\$ 5.00	3,882	3,882	3,882	3,882	\$ 53,292	\$ 58,621	\$ 5,329
Verify & Interrupt	\$ 1.69	\$ 1.86	10.0%	\$ 10.00	3,870	3,870	3,870	3,870	\$ 78,669	\$ 86,536	\$ 7,867
									\$	\$	\$ 2,128,791

Kentucky Rebalancing Proposal
Summary of Rate Changes

RESIDENTIAL	Service	Rate Group	Year 2				Year 2			
			Present Rate	Proposed Rate	\$ Change	% Change	Present Annual Revenue	Proposed Annual Revenue	Annual Revenue Change	
	1FR	1	\$13.40	\$14.75	\$1.35	10.07%	177,025	\$28,465,620	\$31,333,425	\$2,867,805
		2	\$14.30	\$15.75	\$1.45	10.14%	85,393	\$14,653,439	\$16,139,277	\$1,485,838
		3	\$15.05	\$16.50	\$1.45	9.63%	138,024	\$24,927,134	\$27,328,752	\$2,401,618
		4	\$15.75	\$17.30	\$1.55	9.84%	6,834	\$1,291,626	\$1,418,738	\$127,112
		5	\$18.40	\$18.40	\$0.00	0.00%	245,373	\$54,178,358	\$54,178,358	\$0
		Exception	\$15.95	\$17.55	\$1.60	10.00%	9,989	\$1,911,895	\$2,103,084	\$191,189
		Subtotal								\$7,073,563
	2FR	1	\$10.32	\$11.35	\$1.03	10.00%	2,645	\$327,493	\$360,242	\$32,749
		2	\$11.02	\$12.12	\$1.10	10.00%	194	\$25,660	\$28,226	\$2,566
		3	\$11.57	\$12.73	\$1.16	10.00%	33	\$4,583	\$5,041	\$458
		4	\$12.11	\$13.32	\$1.21	10.00%	1	\$145	\$160	\$15
		5								
		Exception	\$12.24	\$13.47	\$1.22	10.00%	18	\$2,644	\$2,909	\$264
		Subtotal								\$36,053
	Standard Measured	1	\$10.32	\$11.35	\$1.03	10.00%	515	\$63,765	\$70,142	\$6,377
		2	\$11.02	\$12.12	\$1.10	10.00%	592	\$78,300	\$86,130	\$7,830
		3	\$11.57	\$12.73	\$1.16	10.00%	1,851	\$257,037	\$282,741	\$25,704
		4	\$12.11	\$13.32	\$1.21	10.00%	17	\$2,471	\$2,718	\$247
		5	\$14.75	\$16.23	\$1.48	10.00%	3,534	\$625,560	\$688,116	\$62,556
		Exception								\$0
		Subtotal								\$102,713
	Low Usage Measured	1	\$7.25	\$7.97	\$0.72	10.00%	247	\$21,486	\$23,635	\$2,149
		2	\$7.71	\$8.48	\$0.77	10.00%	194	\$17,951	\$19,746	\$1,795
		3	\$8.07	\$8.88	\$0.81	10.00%	610	\$59,102	\$65,012	\$5,910
		4	\$8.44	\$9.28	\$0.84	10.00%	9	\$911	\$1,002	\$91
		5	\$10.20	\$11.22	\$1.02	10.00%	1,715	\$209,854	\$230,840	\$20,985
		Exception								\$0
		Subtotal								\$30,930
	Plan Line	1	\$9.90	\$10.89	\$0.99	10.00%	20601	\$2,447,399	\$2,692,139	\$244,740
		2	\$9.90	\$10.89	\$0.99	10.00%	4395	\$522,126	\$574,339	\$52,213
		3	\$9.90	\$10.89	\$0.99	10.00%	4843	\$575,348	\$632,883	\$57,535
		4	\$9.90	\$10.89	\$0.99	10.00%	0	\$0	\$0	\$0
		5	\$11.50	\$11.50	\$0.00	0.00%	4821	\$665,298	\$665,298	\$0
		Exception	\$9.90	\$10.89	\$0.99	10.00%	39	\$4,633	\$5,097	\$463
		Subtotal								\$354,951
	Plan Line w/ LUD	1	\$11.00	\$12.10	\$1.10	10.00%	398	\$52,536	\$57,790	\$5,254
		2	\$11.00	\$12.10	\$1.10	10.00%	104	\$13,728	\$15,101	\$1,373
		3	\$11.00	\$12.10	\$1.10	10.00%	92	\$12,144	\$13,358	\$1,214
		4	\$11.00	\$12.10	\$1.10	10.00%	0	\$0	\$0	\$0
		5	\$12.50	\$12.50	\$0.00	0.00%	470	\$70,500	\$70,500	\$0
		Exception	\$11.00	\$12.10	\$1.10	10.00%	3	\$396	\$436	\$40
		Subtotal								\$7,880
	Premium Plan Line	All	\$22.00	\$22.00	\$0.00	0.00%	29,571	\$7,806,744	\$7,806,744	\$0
		Subtotal								\$0
	Lines									\$7,606,090
	Consumer Verticals, DA, etc.									\$2,128,791
	Total Residential									\$9,734,881

STATE OF KENTUCKY)
)
)
COUNTY OF JEFFERSON)

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally and came and appeared Stephen D. Rausch, who, being by me first duly sworn deposed and said that:

He is appearing as a witness on behalf of BellSouth Telecommunications, Inc. before the Kentucky Public Service Commission on the Review of BellSouth Telecommunications, Inc.'s Price Regulation Plan, Case No. 99-434, and if present before the Commission and duly sworn, his testimony would be set forth in the annexed transcript consisting of 7 pages and 0 exhibits.

Stephen D Rausch
STEPHEN D. RAUSCH

SWORN TO AND SUBSCRIBED BEFORE ME this
9th day of May, 2000

Gloria A. Roby
NOTARY PUBLIC, Reg., At-Large

My Commission Expires: Feb 5, 2001

1 **BELLSOUTH TELECOMMUNICATIONS, INC.**

2 **Testimony of Stephen D. Rausch**

3 **Before the Kentucky Public Service Commission**

4 **CASE NO. 99-434**

5 **May 10, 2000**

6

7 **Q. PLEASE STATE YOUR NAME, ADDRESS, AND POSITION WITH**
8 **BELLSOUTH TELECOMMUNICATIONS.**

9 A. My name is Stephen D. Rausch. My business address is 601 West Chestnut
10 Street, Louisville Kentucky, 40203. I am a manager in the Regulatory
11 Department of BellSouth Telecommunications, Inc. in Kentucky.

12 **Q. PLEASE GIVE A BRIEF DESCRIPTION OF YOUR BACKGROUND**
13 **AND EXPERIENCE.**

14 A. I graduated from Bellarmine College in Louisville, Kentucky in 1971 with a B.S.
15 degree in mathematics. I received my MBA from Indiana University Southeast in
16 1996. I have over 28 years experience with Bellsouth in the Network, Marketing
17 and Regulatory departments. My current responsibilities include the
18 administration of the current Price Regulation Plan, and various sections of
19 BellSouth's Kentucky tariffs relating to intraLATA toll, operator services,
20 intrastate access and Non Traffic Sensitive Revenue Requirement Recovery
21 ("NTSRRR"). I have previously testified before this Commission on matters
22 relating to intraLATA toll and NTSRRR.

23

1 Q. **WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

2 A. The purpose of my testimony is to reconcile portions of BellSouth's Transition
3 Regulation Plan ("TRP") with other information that has come to light subsequent
4 to the filing of the TRP. I will also show that the resultant changes do not
5 materially affect the TRP's provisions or modify its intent.

6
7 The TRP was filed on December 17, 1999. On January 19, 2000 AT&T
8 Communications of the South Central States, Inc., BellSouth
9 Telecommunications, Inc., Cincinnati Bell Telephone, GTE South Incorporated,
10 MCI WorldCom Communications and MCImetro Access Transmission Service,
11 Inc., and TCG of Ohio filed a Joint Stipulation regarding Unbundled Network
12 Element ("UNE") deaveraging in Administrative Case No. 382 ("AC382")¹. On
13 January 20, 2000 and again on April 7, 2000 the Federal Communication
14 Commission ("FCC") modified the amount of federal high cost support due
15 Kentucky. On February 3, 2000 BellSouth filed its comments in Administrative
16 Case 360 ("AC360")² regarding the intrastate high cost universal service fund.
17 The FCC's actions and the filings in these other proceedings have an impact on
18 the attachments filed with the TRP.

19
20
21

¹Kentucky Public Service Commission Administrative Case No. 382 – An Inquiry into the Development of Deaveraged Rates for Unbundled Network Elements.
² Kentucky Public Service Commission Administrative Case No. 360 – An Inquiry Into Universal Service and Funding Issues.

1

2 **Q. WHAT ARE THE DEAVERAGED UNE LOOP RATES IN THE JOINT**
3 **STIPULATION?**

4 A. The rates ultimately adopted for BellSouth in the Joint Stipulation were based on
5 the wirecenter costs from the October 1999 version of the federal Hybrid Cost
6 Proxy Model ("HCPM"). This model produced a statewide average rate for
7 BellSouth of \$33.10, wirecenters with costs less than or equal to \$33.10 were
8 assigned to UNE Zone 1, wirecenters with costs less than or equal to \$66.20 were
9 assigned to UNE Zone 2, the remaining wirecenters were assigned to UNE Zone
10 3. Weighting these appropriately produced the following weighting percentages
11 and UNE loop rates:

Zone	Percentage	Rate
1	73.96%	\$ 14.79
2	138.41%	\$ 27.68
3	238.88%	\$ 47.78

12

13

14

15

WHAT IS BELLSOUTH'S PROPOSED CHANGE?

16

BellSouth proposes to change the weighting percentages and UNE loop rates as
17 follows:

17

Zone	Percentage	Rate
1	67.72%	\$ 13.54
2	98.67%	\$ 19.73
3	141.37%	\$ 28.27

18

19

1

2

WHAT IS THE BASIS FOR THIS CHANGE?

3

BellSouth believes that UNE rates should be geographically deaveraged into three

4

zones generally consistent with major metropolitan, minor metropolitan and rural

5

areas. BellSouth believes this can be accomplished by combining existing rate

6

groups in appropriate ways. The above change reflects the rates most consistent

7

with BellSouth's approach. In addition, in Kentucky, this approach produces

8

lower UNE rates than those in the Joint Stipulation. As a result, BellSouth is

9

willing to replace the rates in the Joint Stipulation with these rates.

10

WHY DOES BELL SOUTH PROPOSE TO "REPLACE" THE JOINT

11

STIPULATION RATES?

12

The Joint Stipulation in AC382 specifically avoided recommending a

13

methodology for deaveraging. BellSouth expects the Commission to establish a

14

deaveraging method in AC382 and does not intend to foreclose debate on the

15

issue by this proposal. However, BellSouth believes it is appropriate to make

16

rates that are both lower, and more consistent with its approach, available in the

17

interim, pending the Commission's decisions in AC382 in an attempt to satisfy

18

the needs of all stakeholders in this case.

19 **Q.**

HOW IS THE TRP AFFECTED BY THE FCC'S REVISIONS TO THE

20

HCPM MODEL?

21 **A.**

Based on the October run of the HCPM, BellSouth Kentucky was to receive

22

\$12M in federal high cost support. BellSouth proposed to use \$5M of that fund

23

for a specific infrastructure commitment included in Attachment 6 to the TRP.

1 Based on the January and April revisions to the HCPM, BellSouth Kentucky will
2 now receive approximately \$500K in new high cost support. The company has
3 committed to reduce the IXC portion of NTSRRR by this annual amount and the
4 Commission has certified to the FCC and to the Universal Service Administration
5 Corporation that this is an appropriate use of the federal high cost support.

6 **DOES THIS MEAN THAT BELLSOUTH'S INFRASTRUCTURE**
7 **COMMITMENT WILL BE REDUCED?**

8 No. BellSouth remains committed to the deployment of an advanced services,
9 broadband capable, infrastructure in rural Kentucky. Mr. Gerwing's testimony
10 addresses this commitment in further detail. The commitment reflected in
11 Attachment 6 to the TRP has been subsumed by the broader commitment
12 discussed by Mr. Gerwing. However, none of the infrastructure commitment
13 discussed by Mr. Gerwing and included in the Settlement Agreement filed May 3,
14 2000 in this case, will be funded by federal high cost support.

15 **Q. HOW DOES BELLSOUTH'S FILING REGARDING INTRASTATE**
16 **UNIVERSAL SERVICE IN AC360 RELATE TO THE TRP?**

17 A. In the TRP, the size of the intrastate USF was determined by subtracting the rates
18 for a package of UNEs from the revenue available in a wirecenter. If this
19 difference was greater than zero, then the federal high cost support, if any, was
20 subtracted and the result, if greater than zero, was annualized and summed to
21 determine the size of the USF. The calculation of the support requirement was
22 included in Attachment 4 to the TRP and resulted in an intrastate fund size of
23 approximately \$25M. The TRP was presented to the Commission as a

1 comprehensive proposal dealing with modifications to the Price Regulation Plan
2 in concert with findings in the audit as well as the issues of UNE deaveraging and
3 an intrastate high cost Universal Service Fund. However, taking the intrastate
4 USF as a standalone issue, BellSouth's filing in AC360 presented a different
5 method to determine the fund size based on the federal cost benchmark approach
6 and the January 2000 HCPM. This resulted in a fund size for BellSouth of \$61M.
7 However, BellSouth also proposed a netting mechanism that would consider
8 BellSouth's proportionate responsibility to contribute to the fund. This netting
9 process would result in a payment to BellSouth of \$28M. Therefore, BellSouth's
10 rebalance proposal is consistent with either methodology. In addition, the
11 rebalance proposal is spread over two years and is less in absolute terms than the
12 line item surcharge that would result from implementing a \$61M USF.

13 **Q. ISN'T THE \$25M FUND SIZE CALCULATED IN THE TRP AFFECTED**
14 **BY THE REVISED HCPM?**

15 A. Yes. In fact, the \$25M figure in the TRP is affected by the revised deaveraged
16 UNE rates I've proposed above, updated revenue per wirecenter amounts and the
17 January modification to the HCPM. Making the necessary revisions results in a
18 fund size of \$32M. BellSouth is not modifying the details of its rebalance plan as
19 a result of these calculations.

20 **Q. WOULD YOU PLEASE SUMMARIZE YOUR TESTIMONY.**

21 A. Yes. The modification to the Price Regulation Plan, the establishment of
22 deaveraged UNE rates, and the creation of an intrastate high cost Universal
23 Service Fund are major issues affecting the telecommunications environment in

1 Kentucky. UNE deaveraging and intrastate USF can be considered in isolation
2 from a process perspective but not from a market perspective. The TRP was not
3 only an attempt to revise the Price Regulation Plan in keeping with audit
4 recommendations, but to comprehensively consider the impact of UNE
5 deaveraging and USF as well. There have been a number of factors in the
6 environment that have modified the details of the TRP, but none so drastically as
7 to modify its ultimate intent. The intent remains fivefold. First, the TRP provides
8 a pro-competitive framework for the entire state. Second, it provides the
9 appropriate flexibility for BellSouth to compete within that framework. Third, it
10 refocuses BellSouth's efficiency gains away from punitive and anticompetitive
11 rate reductions towards a commitment to the provision of the infrastructure
12 necessary for the provision of advanced services in rural Kentucky. Fourth, it
13 enhances the Commission's ability to evaluate service quality for BellSouth's
14 retail customers. Finally, it establishes a framework that allows the Commission
15 to concentrate on service quality and equity for BellSouth's wholesale customers.

16

17 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

18 **A.** Yes.

19

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served on the individuals on the attached Service List by mailing a copy thereof, this 10th day of May 2000.

Creighton Mershon
Creighton E. Mershon, Sr.

SERVICE LIST - PSC 99-434

Hon. Ann Chevront
Assistant Attorney General
1024 Capital Center Drive
Frankfort, KY. 40601 8204

Hon. James Lamoureux
AT&T COMMUNICATIONS
1200 Peachtree Street, NE
Atlanta, GA. 30309

Hon. C. Kent Hatfield
Hon. John M. Franck
Middleton & Reutlinger
2500 Brown & Williamson Tower
Louisville, KY. 40202

Hon. Susan Berlin
MCI Telecommunications Corp.
6 Concourse Parkway, Suite 3200
Atlanta, GA. 30328

William Atkinson, Esq.
Sprint Communications Co., L.P.
3100 Cumberland Circle
Atlanta, GA. 30339

Hon. John N. Hughes
Attorney at Law
124 W. Todd St.
Frankfort, KY. 40601

DeMara Madison
Regulatory Compliance
Coordinator
Cable & Wireless USA, Inc.
8219 Leesburg Pike
Vienna, VA. 22182

Carl Jackson
Sr. Director, Gov't & Ext.
Affairs
ICG Telecom Group, Inc.
50 Glanlake Parkway # 500
Atlanta, GA. 30328

Larry Barnes
Director of Regulatory Affairs
IXC Communications Svcs., Inc.
1122 Capital of Texas Hwy. South
Austin, TX. 78746

Kim Logue
Regulatory Analyst
LCI International Telecom Corp.
4250 N. Fairfax Drive
Arlington, VA. 22230 2220

Darrell Maynard
President
Southeast Telephone, LTD
106 Power Drive
Pikeville, KY. 41502 4150

Kristi Shaw
Regulatory Analyst
Teltrust Communications Services
6322 South 3000 East
Salt Lake City, UT. 84121

Walter P. Drabinski
President
Vantage Consulting, Inc.
230 Sugartown Road, Suite 110
Wayne, PA. 19087

Mr. Larry Callison
GTE
150 Rojay Drive
Lexington, KY 40503